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'News Analysis' Reviews PBEC Meeting in Seoul

SK2805012493 Seoul THE KOREA HERALD in
English 28 May 93 p 8

[“News analysis” by staff reporter Kang Sok-chae]

[Text] The Seoul meeting of the Pacific Basin Economic Council [PBEC], which concluded its five-day session Wednesday [26 May], reaffirmed the growing importance of the private sector in the Asia-Pacific as well as the global economy.

The gathering, which drew over 800 participants from 26 countries, had as its theme the importance of open regionalism as a basis for globalism.

At the session, the PBEC participants sought ways to cooperate with the government-level Asia-Pacific Economic Cooperation (APEC).

William Bodde Jr., director general of the APEC, also stressed the need for closer cooperation between the two bodies. “While it is true that government sets trade policy, by and large it is the private sector that does the trading. It is imperative that we conduct ongoing dialogue so that we, at APEC, know your problems and concerns.”

He made the remarks on the final day of the Seoul gathering, adding that there is a growing consensus in APEC that the organization must move from the institution building stage to become a policymaker in the area of trade liberalization.

The participation of three heads of state and six trade ministers along with the attendance of GATT chief Arthur Dunkel gave added weight to the PBEC meeting.

Korean President Kim Yong-sam, Philippine President Fidel Ramos and Malaysian Premier Mahathir Mohamad sat together in the Leaders Forum to deliver their respective opinions on the Seoul PBEC theme of “Open Regionalism: A New Basis for Globalism?”

President Kim voiced his support for the convening of an Asia-Pacific summit meeting to help promote cooperation in the region. The United States previously proposed an APEC summit meeting.

The Seoul meeting, however, failed to include a call for such a summit in its conference statement, partly because of Japan's strong opposition.

At the Special Committee Meeting on Food and Agriculture Sunday [23 May], the participants agreed to send a four-point suggestion to the GATT calling for an immediate removal of nontariff barriers and government subsidies for farm goods and agriculture market opening.

The memo touched off a strong protest from Korean farming organizations.

Strong lobbying by Korea and Canada along with other countries prevented the strongly worded suggestion from being included in the conference statement.

Instead the statement reiterated the organization's basic principles by saying “PBEC continues to work toward improving market access for food products throughout the Asia-Pacific region by harmonizing, whenever possible, regulatory issues.”

The Seoul meeting drew representatives from all of the 14 PBEC member committees and one applicant member committee, Colombia, along with observers from Russia, Vietnam and China.

The participation of Russia, Vietnam and China speaks well of the growing importance of regional economic cooperation among Asia-Pacific countries.

Colombia was supposed to become a full member of the PBEC at the Seoul meeting, but its initiation was deferred to next year's meeting in Kuala Lumpur, mainly because of the Colombian delegation's inadequate internal organization.

China also applied for membership at the Seoul meeting but was rebuffed because of friction with Taiwan.

The issue was left to the two Chinas to settle among themselves.

Russia and Vietnam didn't apply for PBEC membership but they showed interest in joining.

To help upgrade businessmen's interests in Russia, the Seoul meeting organized a post-Seoul meeting expedition to the Russian Far East.

Thailand, Burma, PRC, Laos Meet on Transport Links

*BK2805020093 Bangkok BANGKOK POST in English
28 May 93 p 6*

[Text] Thailand, Burma, China and Laos yesterday formally agreed to develop road links in the sub-region bordering the upper reaches of the Mekong River and to make further studies on water transport, according to officials. They reached these decisions on the first day of the Quadripartite Meeting on Sub-regional Transport Linkages, which continues today.

The meeting, organised by the Thai Foreign Ministry, marks the first get-together of all four countries interested in developing the sub-region.

Officials and experts of the four nations are joined by representatives of potential backers from the World Bank, the United Nations Development Programme (UNDP), the Asian Development Bank (ADB) and the private sector. The decisions reached yesterday were significant in that they demonstrated the commitment of the four countries to economic cooperation, a [Thai] Foreign Ministry official said.

[Thailand's] Chiang Rai Governor Kamron Bunchoet said the agreement on upgrading roads must be endorsed by the respective governments and from now on countries concerned would discuss plans in detail.

Officials of Burma, China and Thailand would discuss routes linking Mae Sai District of Chiang Rai Province with Kengtung in Burma and Jinghong of China, said Mr Kamron, a delegate to the meeting.

Subsequently, Thailand, Laos and China would discuss another route linking the Thai district of Chiang Saen with Borkeo and Louang Namtha provinces in Laos and Sipsongpanna in southern China, he said. The transport links are important to enhanced economic cooperation between northern Thailand, south China, northeastern Burma and northern Laos. But the concerned countries are yet to set a time frame for detailed discussions of road links, the governor said.

A decision on water transport would depend on the evaluation by a joint working group, yet to be set up, of surveys exploring possibilities along the Mekong River, an informed source said.

One joint survey has already been completed but the working group would need to look at another survey to be conducted in the dry season which is the worst case scenario for river transport. Officials at yesterday's meeting discussed the completed survey but Laos called for more studies on the matter sources said. A Laotian delegate conceded that the report overemphasised economic aspects and Laos is very concerned about the environmental impact and ecological aspects because some islets on the river have to be cleared to enable passage by boat.

"The Lao side needs more time to study the report and evaluate both advantages and disadvantages because Laos heavily relies on the Mekong," the same delegate said.

There was no discussion about the funding of the project but sources said major providers were likely to be the ADB or Japan, which might be interested in funding through the Comprehensive Forum for Development in Indochina. Japan set up the forum to help develop countries in the Indochinese region. The ADB will hold its annual meeting in Manila in August and the four countries hope that the plan to develop the sub-region will be on the agenda so that they can request funding.

[Thai] Foreign Minister Prasong Sunsiri opened the meeting yesterday and, in later comments to reporters, remarked on the success of what is the first meeting of officials of all four countries. In his opening speech, he emphasised Thailand's commitment to cooperate with its three neighbours to enhance economic development in the sub-region.

"Thailand remains strongly committed and will certainly do her part to ensure that our concerted efforts result in a fruitful conclusion," he said.

Air links and tourism are among topics to be discussed in today's deliberations.

Japan

Hayashi Denies U.S. Guiding Yen Value Upward

OW2705104993 Tokyo KYODO in English 1035 GMT
27 May 93

[Text] Tokyo, May 27 KYODO—Finance Minister Yoshiro Hayashi on Thursday denied news reports that the U.S. administration is trying to guide the value of the Japanese yen upward against the dollar.

The reports, citing a U.S. Commerce Department document, sparked the yen's steep appreciation against the dollar in recent days.

Hayashi, speaking at the House of Councillors Budget Committee, said the United States had explained that the Commerce Department document in question was purely an analytical report on agreements reached at a recent meeting of the Group of Seven industrialized nations and the U.S. does not desire a drastic change in dollar-yen exchange rates.

Hayashi told the session Japan will be in close contact with other members of the group to take appropriate steps to stabilize the foreign exchange market.

Tokyo Working With U.S. To Stem Yen's Rise

OW2805103193 Tokyo KYODO in English 1008 GMT
28 May 93

[Text] Tokyo, May 28 KYODO—Vice Finance Minister Mamoru Ozaki said Friday Japan and the United States are working together to stem the yen's advance against the dollar through market intervention.

"Efforts are taken in cooperation with the U.S. based on the joint statement late April of the meeting of finance ministers and central bankers of seven major industrialized nations," Ozaki told reporters. Ruling out a cut of the official discount rate as one measure to weaken the yen, Ozaki said, "the yen's rise and monetary policy should not be linked directly."

The U.S. dollar plunged 0.67 yen in Tokyo dealings Friday to close at a record low of 107.38 yen, sinking below the 108 yen level again despite reported concerted U.S.-Japanese intervention.

Kono: Speculative Surge of Yen 'Undesirable'

OW2805020193 Tokyo KYODO in English 0140 GMT
28 May 93

[Text] Tokyo, May 28 KYODO—Chief Cabinet Secretary Yohei Kono said Friday the speculative surge of the yen is undesirable. Commenting on the opening of the Tokyo exchange at the 107 yen to the dollar level, Kono said that the exchange rate should reflect the nation's economic fundamentals.

Kono attributed the sharp rise in the yen to a misinterpretation of a comment by U.S. Treasury Undersecretary Lawrence Summers, who earlier this week said a weaker dollar would help narrow the U.S. trade deficit with Japan.

Tokyo To Take 'Adequate Measures' on Yen Rises

OW2805045593 Tokyo KYODO in English 0427 GMT
28 May 93

[Text] Tokyo, May 28 KYODO—Finance Minister Yoshiro Hayashi said Friday the yen is rising against the U.S. dollar due to speculative moves, and his ministry will take "adequate measures" to halt further wild rises.

Hayashi was commenting on the yen's sharp rise in foreign exchange markets at the Budget Committee of the House of Councillors. He said, "The rate of a currency should reflect economic fundamentals. Japan will take adequate measures at appropriate times in close communication with other major countries."

The yen rose 1.91 yen against the U.S. dollar in Tokyo on a single day Wednesday, and a further 0.60 yen Thursday to a postwar closing high. It continued on a rising trend Friday morning, standing at 107.50 yen at midday.

Hayashi Hints at Concerted G-7 Action on Yen

OW2805024293 Tokyo KYODO in English 0209 GMT
28 May 93

[Text] Tokyo, May 28 KYODO—Japanese Finance Minister Yoshiro Hayashi hinted Friday that the Group of Seven (G-7) major economies may concertedly intervene in the foreign exchange market to cap the renewed soaring of the yen against key currencies.

Hayashi, speaking at a regular news conference after a cabinet meeting, said the yen's latest advance is the result of the market's misinterpretation of a recent U.S. Treasury Department report that said a stronger yen could partly ease Japan's mounting trade imbalance with the United States.

He said he has confirmed with U.S. Treasury Undersecretary Lawrence Summers that they will work together to stabilize the currency market in line with the G-7 agreement reached in Washington at the end of April. However, the finance minister said, "It is eventually the market that decides" in response to questions by reporters about the effectiveness of such measures. [sentence, punctuation as received]

He said demand for the yen by foreigners to purchase Japanese stocks may be contributing to fuel the appreciation of the currency in the wake of the recent good performance of the Tokyo stock market. But Hayashi denied any immediate plans for the G-7 to hold an emergency meeting on foreign exchange rates. He also said Japan maintains its present monetary policy.

He was also not supportive about introducing any "compulsory measures" to pass on benefits of the higher yen, which makes imported products cheaper, to the public. Hayashi said the "charms" of the appreciation should naturally emerge under a free market system.

The U.S. currency opened the day's trading at 107.18 yen, down 0.87 yen from Thursday's close in Tokyo of 108.05 yen. Overnight closing rates were 107.30-40 yen in New York and 107.70-80 yen in London late Thursday.

The dollar renewed its intraday lows in New York, touching 107.10 yen.

Mori: Yen Rise May 'Spoil' Pump-Priming Steps

OW2805040593 Tokyo KYODO in English 0328 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—Trade Minister Yoshiro Mori expressed concern Friday that the yen's recent quick gain against the dollar could keep domestic demand from expanding.

Mori, minister for international trade and industry, told a news conference after a cabinet meeting. "The economy is just about to recover through pump-priming measures. But the yen's rapid rise may spoil our efforts to expand domestic demand. Expanding domestic demand is the best way to correct the trade imbalance."

Mori said top government officials should refrain from making remarks that may affect exchange rates.

At another news conference, Economic Planning Agency (EPA) chief Hajime Funada also expressed concern over the possible negative effect on economic recovery of the yen's rise to the 107 line against the U.S. dollar.

The EPA director general called for flexible judgment on cuts in utility charges as a way of passing on windfall profits from a stronger yen. Funada said the agency will continue studying the possibility of electric power and gas companies cutting their rates because of foreign exchange profits.

Muto Advocates Khmer Rouge 'Self-Control'

OW2805033893 Tokyo KYODO in English 0247 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—Japan will urge Cambodia's Khmer Rouge guerrilla faction not to engulf the nation in a new civil war even if it is excluded from a new Cambodian Government to be formed after this week's election, Foreign Minister Kabun Muto said Friday.

"The Khmer Rouge, which boycotted the election, will not be able to secure its representation in a new government," the minister told a news conference following a cabinet meeting.

"We need to urge the faction to exercise self-restraint so that it cooperates with a new government without initiating a civil war even if it cannot secure its representation," he said.

Muto made the remarks on the last day of the weeklong general election, in which balloting ends Friday. Press reports say the main contenders are the Vietnamese-installed Phnom Penh government and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia], a royalist party that supports current head of state Prince Norodom Sihanouk.

The Khmer Rouge, which was expected to intensify its military assaults on polling stations during the May 23-28 election, surprised observers by reportedly allowing many people in regions under its control to cast votes.

The United Nations Transitional Authority in Cambodia (UNTAC) also announced that it has confirmed that hundreds of Khmer Rouge soldiers cast their votes.

Muto told reporters that Japan will call on the faction to exert self-control and lay down its arms. Tokyo will make the call through the Thai Government, which is believed to maintain influence over the faction, and through the Japanese ambassador to Cambodia, Yukio Imagawa.

Clinton Asks Miyazawa To Back Russian Fund Plan

OW2805102593 Tokyo KYODO in English 1010 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—U.S. President Bill Clinton has asked Japan's Prime Minister Kiichi Miyazawa to help promote a U.S. proposal to create a 4 billion dollar fund to help privatize Russia's state industries, government sources said Friday. Clinton, who made the request in a recent letter, asked Miyazawa to help realize the fund at July's Tokyo summit of the Group of Seven (G-7) major economic powers, the sources said.

The privatization fund would provide loans and grants to promote privatization of state-run businesses and for local citizens and communities "undergoing the very difficult transition and conversion from a command economy to a market economy," officials said. Secretary of State Warren Christopher and Treasury Secretary Lloyd Bentsen advanced the idea during April's G-7 ministerial conference on aid to Russia.

Miyazawa To Tell Clinton of Support

OW2805131093 Tokyo KYODO in English 1254 GMT 28 May 93

[Excerpt] Tokyo, May 28 KYODO—U.S. President Bill Clinton has asked Japan to back a U.S.-proposed 4

billion dollar fund for privatizing Russia's state industries, government sources said Friday.

Clinton asked Prime Minister Kiichi Miyazawa in a recent letter to help set up a concrete framework for the fund at the July 7-9 Tokyo summit of the Group of Seven (G-7) industrial nations, the sources said. Clinton has sent letters advocating the fund to other G-7 leaders, they said.

Miyazawa will soon inform Clinton that Japan "acknowledges the need to realize" such a fund, the sources said. The fund would provide loans and grants for the privatization of state-run businesses and for local citizens and communities "undergoing the very difficult transition and conversion from a command economy to a market economy," officials said. The measures would also target converting Russia's military production to civilian use, they said.

According to the U.S. proposal, Japan and the United States would each provide 500 million dollars, while Britain, France, Germany and Italy would share in paying 1 billion dollars. A further 2 billion dollars would be raised through international financing institutions such as the International Monetary Fund (IMF).

So far, European members of the G-7 have opposed the proposal, demanding a restructuring that would reduce their financial burden, the sources said. [passage omitted]

Miyazawa: G-7 'Need Not' Note Territory Dispute

*OW2805110593 Tokyo KYODO in English 1052 GMT
28 May 93*

[Text] Tokyo, May 28 KYODO—Leaders of the Group of Seven (G-7) major industrialized nations need not mention Japan's territorial dispute with Russia in the July 7-9 Tokyo summit communique, Prime Minister Kiichi Miyazawa said Friday.

Miyazawa told the House of Councillors Budget Committee that Japan has made clear at previous G-7 summits its claim for the return of four Russian-held islands off Hokkaido seized by the Soviet Union at the end of World War II.

"As we have clearly stated our country's stance in the political declaration at the summit last year in Munich, it's not necessary to do it again," Miyazawa said. He also said Tokyo will stick to its established position.

"It's understood that the various problems will be broached in Russian-Japanese talks," he said, confirming that the island issue will be on the agenda in talks with Russian President Boris Yeltsin, who will meet the G-7 leaders after the summit.

Calls have emerged in Russia for shelving of the territorial dispute on the grounds that any concessions by Yeltsin would worsen the embattled president's domestic standing.

The dispute about the four isles or northern territories as they are called in Japan was first mentioned in the chairman's statement at the 1990 Houston summit.

In their Munich political declaration the G-7 leaders called for a normalization of Russia's relations with Japan by settling the isles dispute "on the base of law and justice."

Miyazawa Discusses Yeltsin Meeting With Gaydar

*OW2805080393 Tokyo KYODO in English 0755 GMT
28 May 93*

[Text] Tokyo, May 28 KYODO—Prime Minister Kiichi Miyazawa told a key adviser to Russian President Boris Yeltsin on Friday he is looking forward to meeting with Yeltsin in Tokyo during the July summit of seven economic powers, government officials said. Miyazawa is likely to have bilateral talks with Yeltsin on July 8 when the Russian president visits for dialogue with leaders of the Group of Seven (G-7) nations.

Gaydar, former acting prime minister, promised to relay the message to Yeltsin, the officials said. He has been in Tokyo since last Saturday for an eight-day visit for talks with Japanese Government officials and parliamentary leaders.

He explained Russia's financial situation to Miyazawa, saying inflation has been slowing. Gaydar said economic reforms are working little by little, but they still face political difficulties. Miyazawa said he hopes Yeltsin will "firmly" carry out the reforms.

They also exchanged views on economic assistance to Russia, but not on whether Yeltsin should apologize for twice postponing a separate state visit to Japan, now rescheduled for autumn at the earliest, the officials said. Yeltsin abruptly canceled a trip last September, then put off a visit he proposed for late May.

Miyazawa told a Diet session Thursday he would demand during the expected July 8 talks with Yeltsin that the president commit himself to resolving a decades-old territorial dispute that has marred the bilateral relations.

EPA Drafts Economic Proposals for Russia

*OW2805092493 Tokyo KYODO in English 0905 GMT
28 May 93*

[Text] Tokyo, May 28 KYODO—Japan's Economic Planning Agency (EPA) on Friday advised Russia to reinstate a fixed foreign exchange rate for the ruble as a way to strengthen monetary control and provide an anchor against inflation. But the revival of the fixed exchange rate "within a specified period of time" must be announced beforehand and carried out exactly as announced, the agency said in a package of proposals on Russian economic reforms.

The agency also proposed the issuance of government bonds denominated in foreign currencies to facilitate recycling in the domestic economy of such currencies obtained through exports.

The six-point package is based on research and symposiums of private and public sector experts the agency commissioned through its affiliated Japan research institute.

On privatization of large state-owned enterprises, the agency said it "can be conducted, basically, for payment, not for free" from the viewpoint of "improving fiscal imbalance and strengthening the monitoring function of investors." The present voucher method being used by the Russian Government for such privatization, the agency said, carries many problems such as management inefficiency and unfair gaps between haves and have-nots.

The package also urges Moscow to allow regional governments, mainly in the Russian Far East, to obtain foreign financial aid, particularly for infrastructural improvement.

The proposals, covering microeconomic and macroeconomic measures, are in response to requests from Russia for "intellectual aid" from Japan's experience in postwar transformation to a market economy, the agency said. It said the Russian Economics Ministry has been asking for "constructive" advice during discussions with the agency held since last year.

The package will be handed to the Russian side through the Russian Embassy in Japan, and also to other countries, the International Monetary Fund and other international bodies, as well as to various experts, the agency said.

Hajime Funada, director general of the agency, is to present the proposals at a ministerial-level council meeting of the Organization for Economic Cooperation and Development next Wednesday and Thursday in Paris.

Supplementary Budget Includes Aid to Russia

OW2605112593 Tokyo KYODO in English 1000 GMT 26 May 93

[Text] Tokyo, May 26 KYODO—The House of Representatives Budget Committee on Wednesday approved a 2.19 trillion yen supplementary budget for fiscal 1993, designed to help fund a 13.2 trillion yen economic stimulus package unveiled in April. The lower chamber is expected to approve the budget at a plenary session later in the day and to send it immediately to the House of Councillors for further deliberations.

The supplementary budget includes 1.2 trillion yen for public works, 401.7 billion yen for disaster restoration works, 100.5 billion yen for assistance to small- and medium-sized firms and 41.1 billion yen for aid to Russia.

It was sent to the Diet for approval on May 14, and is a supplement to the fiscal 1993 budget, which became law on March 31 and earmarks spending on the general account of 72.35 trillion yen.

No income tax cuts are included in the supplementary budget, despite demands by opposition parties, which have urged the government to slash income tax by 4 trillion yen, saying such cuts would help pull the economy out of its slump.

Seiroku Kajiyama, secretary general of the ruling Liberal Democratic Party, has reiterated that the party will positively consider tax cuts in line with the opposition demand.

Korean, Philippine 'Comfort Women' on War Plight

OW2705124193 Tokyo KYODO in English 1105 GMT 27 May 93

[Text] Tokyo, May 27 KYODO—Five Asian women who claim they were forced into prostitution during World War II urged Japan on Thursday to recognize its responsibility to pay reparations. The two Filipinas and three Koreans, who showed up in a joint news conference in Tokyo, are among 27 plaintiffs urging Japan to pay reparations in lawsuits.

"When I refused to have sex with a Japanese soldier, he cut my back with his Japanese sword," said Song Shindo, 71, who raised her sweater and underwear to reveal to the press corps and photographers a 10-centimeter wound beneath her right shoulder. Song, a native of South Korea's South Chungchong Province, told the news conference that she was tricked by a broker at the age of 16 into working in 1938 at a front-line military brothel in China.

Song, who says she was a virgin at the time, was forced to work for seven years in the brothel "like a dog of the Japanese soldiers." She said she had to provide sex to up to 80 soldiers a day at one peak period.

"If Japanese Government officials have consciences, tears and blood in their bodies, I want them to take reparative actions for us as we may die even tomorrow due to our old age," she said.

The five comfort women urged the government to rescind its logic that there are no official documents to confirm the women's contention that they were forced into prostitution. The women said they could not provide any documents or evidence of their agony of five decades ago, except for their actual bodies that underwent the plight.

Prime Minister Kiichi Miyazawa publicly apologized for Japan's recruitment of comfort women, but said it would be difficult to pay reparations as the government cannot verify individual claims.

At present, 18 Philippine women and nine Korean women are demanding immediate compensation, saying if the government waits too long they may die before receiving any indemnity as they are old.

Anastacia Cortez, 69, from Luzon Island of the Philippines, told reporters she and her husband were captured by the Japanese Imperial Army in 1943 and that her husband, a soldier of the Philippine Army, was tortured to death in her presence.

"A Japanese soldier slashed the ear of my husband with a bayonet, hung him upside down from the ceiling, tore off his fingernails, and stripped away the skin of his head, leading to profuse bleeding," she said with a wavering voice. She said she was forced to witness the torturing by soldiers who physically held her face to keep her from turning away. She said she was raped three times each week over the next six months while being detained at Santiago Fortress.

Juanita Jamot, 68, another Filipina, said she was caught by Japanese troops when she was two months pregnant. Both her husband and younger brother were arrested and killed.

Jamot said she was raped by 14 to 15 Japanese soldiers per day over the next three weeks until the U.S. military's bombardment forced the Japanese to evacuate a base where she was being detained with other Filipino women. "Before evacuating the town, the Japanese soldiers ordered some 1,000 Filipinos to enter St. Augustine Church and (then they) suddenly started machine-gunning down the people," she said with (?tears in) her eyes.

"I was the only woman among seven people who survived the shootings, as I was covered by heaps of corpses of people who were hit with bullets," she said. She said at that point she miscarried her baby inside the chapel.

A Korean woman, who identified herself only as "Miss C," told reporters that when her local community was ordered to submit "virgins" to the Japanese Imperial Army, she initially hid inside her house. She said she was later caught by Japanese colonial police and brought by sea to Yangon [Rangoon] via Osaka and Saigon before being placed in a military brothel identified by its name plate "Rangoon Comfort Station."

"I cannot describe the brutal situation where we heard (our compatriots) in the age range of 16 to 17 cry from their brothel cells daily," she said. "Why does the government say such an absurd thing as that such Korean girls agreed to sell their bodies to profit from money for sexual services by going to such faraway places as Burma or Vietnam," she said.

Government Spokesman Comments on 'Comfort Women'

OW2705112893 Tokyo KYODO in English 1048 GMT 27 May 93

[Text] Tokyo, May 27 KYODO—Top government spokesman Yohei Kono agreed Thursday that in some cases Japan's wartime use of Asian "comfort women" could be likened to atrocities committed against women in the former Yugoslavia.

He was asked whether there were similarities in light of Japan's decision Tuesday to join the unanimous vote by the 15-member U.N. Security Council to establish an international tribunal to prosecute mass rapes and other crimes against humanity committed in the former Yugoslavia since January 1, 1991.

Kono also said, "it depends on the case. We are making sincere efforts to investigate the situation of comfort women."

Also this week, a lawyer representing the International Commission of Jurists recommended that Japan establish a tribunal to address compensation and other issues pertaining to the plight of the estimated 100,000 to 200,000 women who served frontline Imperial Army troops.

The systematic establishment of military brothels was not addressed at the World War II military tribunal for the Far East, in part because the trial was dominated by Americans, who were more concerned about treatment of American prisoners of war, according to historian Takeo Sato.

Tina Dolgopol, the Australian lawyer responsible for the International Commission of Jurists Report on Comfort Women, suggested in an interview that the sex crimes were not investigated "because it was women" who were the victims.

Kono said earlier this year he does not believe that South Korean and other women who said they were duped or coerced to work in frontline brothels were lying. But the Japanese Government has never directly acknowledged claims by survivors who say they were raped.

Tokyo To Lift Ban on New Zealand Apples

OW2705080693 Tokyo KYODO in English 0725 GMT 27 May 93

[Text] Tokyo, May 27 KYODO—Japan will lift its import restrictions on apples from New Zealand on June 1, a senior farm ministry official said Thursday.

Akio Kyoya, vice minister of agriculture, forestry and fisheries, told reporters his ministry decided to lift the ban since it has resolved pest control problems involving apples from New Zealand.

It is the first time for Japan to lift an import ban on apples from a major producing country. It already takes imports from a number of countries, including South Korea.

Japan liberalized apple imports in 1971. It banned apples from New Zealand on grounds it had not established methods of keeping the fruit free of harmful insects.

Japan has yet to lift its import ban on U.S.-produced apples. The same reason applies.

Tokyo: Ministers To Attend OECD Meetings

OW2805042593 Tokyo KYODO in English 0406 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—The government decided Friday to send ministers to meetings of the Organization for Economic Cooperation and Development (OECD) and International Energy Agency (IEA) to be held in Paris next week, officials said.

Foreign Minister Kabun Muto, International Trade and Industry Minister Yoshiro Mori and Economic Planning Agency Director General Hajime Funada will attend the 32th ministerial-level council meeting of the OECD on June 2 and 3. At the meeting, there will be discussions centering on sustainable growth and employment, and the multilateral trading system, the officials said.

Muto and Funada also will attend the 14th governing board meeting at ministerial level of the IEA on June 4. The agenda will include energy security, energy and the environment, relations with non-IEA nations and the energy situation in Russia, the officials said.

ODA Loans Hit 'Record' High in 1992

OW2705104793 Tokyo KYODO in English 1022 GMT 27 May 93

[Text] Tokyo, May 27 KYODO—Japan offered a record 1.2 trillion yen in official development assistance (ODA) loans in fiscal 1992, a 22 percent increase over the previous year, the Foreign Ministry said Thursday. But officials said the amount of actual new money offered by Japan, or 909.9 billion yen, fell 4 percent over the previous year.

Calculated on the basis of government-to-government loan agreements, rather than pledges or disbursement, officials said Japan's ODA loan obligations hit 1,194 billion yen in fiscal 1992, which ended March 31.

The figure was bloated by an exceptionally large debt rescheduling element of 284.5 billion yen, including 209.2 billion yen for Egypt during the Persian Gulf crisis.

The amount of new money offered for the year was 37.8 billion yen short of that offered on an exchange of notes basis with foreign governments in fiscal 1991.

The amount of loans concentrated on Asia, at 755.6 billion yen, posted a 25 percent increase over the previous year's figure, but fell short of funds offered to the region in fiscal 1988 and fiscal 1991.

The figure was pumped up by 46.4 billion yen in debt rescheduling for the Philippines and 45.5 billion yen in ODA loans for Vietnam, the first extended to that country since 1979.

Long-Term Aid Planned for Regional Environment

OW2805042693 Tokyo KYODO in English 0401 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—Japan will draft a long-term plan to help protect the environment in the Asia-Pacific region through the next century, sources at the Environment Agency said Friday. Under the program, to be known as "Eco Asia 21 Plan," the agency will pinpoint environmental priority tasks and provide concrete methods of technical and financial assistance to tackle them, the sources said.

The government is hoping to take initiative in world ecology conservation policies by making the project a remedy for countries groping for environmental protection with sustainable development, they said.

Japan will unveil the program after exchanging views with environment ministers in the region at the Economic Conference for Asia and the Pacific (Eco Asia) to be held on June 30 and July 1 in Makuu, Chiu Prefecture.

The program will take about two or three years to put together and cover an area as far away as Russia and India to Australia and New Zealand. The program will run until 2030 or 2050, the sources said.

AERI Begins Spent-Fuel Removal Operation

OW2805041193 Tokyo KYODO in English 0341 GMT 28 May 93

[Text] Aomori, May 28 KYODO—The Japan Atomic Energy Research Institute [AERI] began an operation Friday to remove spent fuel from the reactor of Japan's first and only nuclear-powered ship. There are 32 sets of rods of spent nuclear fuel in the reactor of the 8,242-ton Mutsu, with each weighing about 120 kilograms, institute officials said.

On Friday, one spent nuclear fuel rod was to be removed and placed in a special container, officials said. The vessel is now berthed at Sekinehama port in Mutsu, Aomori Prefecture, northeastern Japan.

The institute will continue the operation by July removing one set of rods each day. The removed spent nuclear fuel will be transported around 2000 to a reprocessing facility in Tokai, Ibaraki Prefecture, the officials said.

The Mutsu ended its duty as a nuclear experiment vessel in January 1992, after completing tests at its home port in Mutsu. The vessel, launched in 1969 and completed the following year, went to sea only four times.

The hull will be used for a large-scale oceanographic vessel, scheduled for completion possibly in 1997. The marine observation ship, equipped with an unmanned diving craft for deep-sea exploration and a radio-controlled helicopter, will travel the world.

Government Provides Apr Employment Figures

OW2805015193 Tokyo KYODO in English 0047 GMT
28 May 93

[Text] Tokyo, May 28 KYODO—The ratio of job openings to seekers fell to a seasonally adjusted 0.84 in April, down 0.04 point from the previous month, the Labor Ministry said in a monthly report Friday. The figure means there were 84 offerings for every 100 job seekers in April.

Openings in the manufacturing sector notably dropped 25.3 percent from a year earlier, and those in the wholesale-retail and food sector fell 18.1 percent.

The transportation and telecommunications sector saw a decline of 17.5 percent and the service industry was down 14.4 percent.

Offerings were also down in the construction industry by 4.1 percent, compared with a 3.4 percent rise in March.

In the financial and insurance sector, however, they rose 1.0 percent, following a 20.1 percent jump in the previous month.

The management and coordination agency said in a separate monthly report the unemployment rate in April remained unchanged from the previous month for the fourth consecutive month at a seasonally adjusted 2.3 percent. It is still considerably lower than unemployment in other industrialized nations, according to the agency.

It said the April unemployment rate was 7.0 percent in the United States, 10.5 percent in Britain and 11.4 percent in Canada.

Japan's unemployment rate for men in April remained unchanged from March at a seasonally adjusted 2.2 percent, while women out of work fell 0.2 point to 2.4 percent.

The number of all unemployed in April reached 1.57 million, comprising 890,000 men and 680,000 women. The total represents an increase of 160,000, or 11.3 percent, from a year earlier.

The number of people with jobs in April totaled 64.72 million, up 310,000, or 0.5 percent, from a year before.

The size of Japan's work force, including the unemployed, came to 66.30 million in April, up 470,000, or 0.7 percent, from a year earlier.

The male work force was 39.32 million, up 350,000 or 0.9 percent, from a year before, while the female work force increased by 120,000 or 0.4 percent, to 26.97 million.

By industry, agriculture and forestry-related jobs amounted to 3.69 million, falling by 260,000, or 6.6 percent, from a year earlier, and manufacturing jobs decreased by 260,000, or 1.7 percent, to 15.27 million.

In contrast, construction work jobs increased by 180,000, or 2.9 percent, to 6.30 million, wholesale-[word indistinct] services jobs rose by 230,000, or 1.6 percent, to 14.67 million, and jobs in service industries up 400,000, or 2.7 percent, to 15.04 million.

Guidelines: No Jobs for Overstaying Foreigners

OW2605140193 Tokyo KYODO in English 1143 GMT
26 May 93

[Text] Tokyo, May 26 KYODO—The Labor Ministry on Wednesday issued guidelines for Japanese companies hiring foreigners in hopes of reducing or forestalling problems that are commonly encountered in the office, ministry officials said.

The guidelines urge employers to check visas and foreign registration certificates before hiring non-Japanese. The ministry said this would help prevent people overstaying and reduce the number of unqualified people in certain fields.

Employers, for their part, should prepare written material for the convenience of newly-hired foreign employees so that they understand basic working conditions such as payment and working hours, it said.

Companies with more than 10 foreign employees are required to appoint a supervisor to handle their problems.

Under a law enacted in April, companies must disclose the number of foreign staff as of June 1 every year to the public employment security office in each local area.

The Labor Ministry officials said the guidelines were approved by the Central Employment Security Council on Wednesday and distributed to the offices of prefectural governors and various industrial associations nationwide.

Officials noted that problems among foreigners at their places of work had risen in tandem with the steady increase in new arrivals to Japan.

A report released separately by the ministry said typical problems encountered by companies with foreign staff were misunderstandings about salary, company-provided accommodation, overtime and communication in the office.

It said that among companies that hire foreigners for "general jobs"—requiring no special qualifications—16 percent reported having problems about payments.

Another 12.4 percent of the companies cited problems about accommodation, and 10.7 percent about overtime work.

Among those with foreign staff for "speciality and technical jobs," 8.7 percent had problems about payments, and 8.0 percent reported problems with pension and insurance programs.

Communication was cited as a problem by 7.7 percent of the companies surveyed with foreign staff in speciality jobs.

In addition, 14.8 percent of companies with foreigners for "general jobs" said they had not checked visas and qualifications before hiring them.

Such slackness was reported by only 1.6 percent of companies employing foreign staff in "speciality jobs," the report said.

The ministry polled 70,000 companies nationwide for the survey, but only 851 answered, according to the ministry officials.

TV Firm To Withdraw From Satellite Broadcasting

OW2805045693 Tokyo KYODO in English 0441 GMT 28 May 93

[Text] Tokyo, May 28 KYODO—PCM Japan Corp. will abandon the satellite broadcasting business because of the small number of subscribers, an industry source said Friday. The affiliate of Nippon Television Network Corp. reached its decision on Wednesday at a meeting of the board of directors.

PCM Japan originally planned to start satellite broadcasting operations in June. But it has only 300 subscribers, well short of the 20,000 that were expected.

On June 4, the company will officially notify the Ministry of Posts and Telecommunications, which supervises the broadcasting industry, of the pullout, the source said. PCM Japan will shortly quit test operations which started last June.

North Korea

Diplomatic Relations Established With Eritrea

SK2805041393 Pyongyang KCNA in English 0401 GMT 28 May 93

[Text] Pyongyang, May 28 (KCNA)—A joint communique on the establishment of diplomatic relations between the Democratic People's Republic of Korea and the state of Eritrea was published on May 25.

The communique says:

The Government of the Democratic People's Republic of Korea and the Government of Eritrea agreed to open diplomatic relations at ambassadorial level and

exchange diplomatic missions in order to develop friendly and cooperative relations between the two countries in all fields on the basis of the principle of independence, equality, reciprocity and non-interference in other's internal affairs.

Signing the communique, the Governments of the DPRK and Eritrea express the hope that the diplomatic relations will be conducive to tightening the bonds of friendship and cooperation in the interests of the two countries.

The communique was signed by Chong Hak-su, DPRK ambassador extraordinary and plenipotentiary to Ethiopia, and Mahmud Ahmed Mahmud [spelling as received], foreign minister of Eritrea, authorized by the two governments.

Daily Says U.S. Must Remove Weapons From South

SK2805045993 Pyongyang KCNA in English 0432 GMT 28 May 93

[“Unjustifiable Pretext”—KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—The U.S. deputy secretary of defense, in his recent lecture at the Asia Society in Tokyo, declared that the major role of the permanent presence of the U.S. Forces and the forward deployment of the U.S. Forces including aircraft carriers in South Korea and Japan did not change after the Cold War and this was because of the “North's threat of nuclear weapon development.”

Refuting this argument, NODONG SINMUN Friday says this vividly revealed the sinister intention of the United States to keep South Korea as its forward base for an indefinite period.

The analyst notes:

The United States considers that it can gratify without difficulty its desire to dominate the Asian-Pacific region only if it keeps hold on the Korean peninsula situated at a strategic vantage. What they seek at present is to crush our republic which is advancing under the banner of socialism. As a military means of attaining this criminal goal, the United States is planning to massively deploy a strike task force including carriers around the Korean peninsula while leaving its forces in South Korea.

Our republic is a non-nuclear state and it has consistently called for the denuclearisation of the peninsula.

It is a foolish act to try to perpetuate the U.S. military presence in South Korea under the fantastic pretext of “nuclear weapon development,” a fiction.

With no pretext can the United States justify the permanent presence of its forces in South Korea.

It must take its forces and nuclear weapons out of South Korea.

KCNA Reports South Stages Military Exercises

*SK2805104193 Pyongyang KCNA in English 1011
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The South Korean puppet army staged an "Army Coordination Demonstration Exercise-93" of infantry, artillery and information communication men in Kwangju on May 26, according to a radio report from Seoul.

The exercise included "introduction of the power of fire-arms" and "strategic and tactical training" to strike an imaginary "enemy".

The South Korean authorities and the puppet army have staged military exercises to invade the North one after another, such as "Hwarang" and "Ssangryong-93" and joint exercise of commanding staff of the puppet army and the U.S. imperialist aggression forces after the "Team Spirit 93" joint war game.

SDP Denounces ROK 'Nuclear Armament'

*SK2805051293 Pyongyang KCNA in English 0423
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The Korean Social Democratic Party (SDP) in a statement on May 27 vehemently condemned the South Korean authorities' undisguised nuclear armament as an intolerable mockery of the public opinion at home and abroad, an unpardonable anti-national, anti-peace challenge designed to increase the nuclear danger on the Korean peninsula.

The statement recalls that the South Korean National Democratic Front recently exposed in an indictment the criminal acts of development of nuclear weapons and nuclear armament the South Korean authorities have been stepping up more frantically on the pretext of "nuclear suspicion" against the DPRK.

It says:

Now, it has become clear through undeniable scientific evidences that their much-touted "nuclear suspicion" against the DPRK was, in fact, a premeditated plot to conceal their development of nuclear weapons by diverting elsewhere the attention of people at home and abroad and, furthermore, to make someone appear a nuclear arms developing country and thus legalize and justify their nuclear armament on that excuse.

No sooner had an unreasonable "resolution" been adopted at the U.N. Security Council against the DPRK than the "chairman of the special reunification panel of the Democratic Liberal Party" of South Korea openly claimed that "South Korea, too, should secure nuclear sovereignty", saying "the South-North joint declaration on denuclearization has been made null and void in principle".

This is nothing but an outspoken declaration of their intention openly to push ahead with their development

of nuclear weapons hitherto promoted in secrecy and set about full-scale nuclear armament.

The South Korean authorities must give up the criminal development of nuclear weapons at once, express their will to get the U.S. troops and nuclear weapons withdrawn from South Korea, cease the "Team Spirit" manoeuvres, a nuclear war exercise targeted against fellow countrymen, for good and all and break away from the U.S. "nuclear umbrella".

The International Atomic Energy Agency and the UN Security Council must withdraw the unjustifiable resolutions against the DPRK, resolutions which lost the principle of impartiality and neutrality, and promptly take a strong measure to check the undisguised development of nuclear weapons and nuclear armament by the South Korean authorities.

Rallies Mark Anniversary of Kwangju 'Uprising'

*SK2805054193 Pyongyang KCNA in English 0437
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—Mass rallies continue to be held in all parts of the northern half of Korea on the occasion of the 13th anniversary of the heroic Kwangju popular uprising.

At the mass rallies held in South Hamgyong, North Hwanghae and Yanggang Provinces and Nampo Municipality, the speakers said that the Kwangju popular uprising was a just anti-American, anti-fascist democratic resistance and massive armed uprising of South Korean people who had risen to terminate the colonial domination and military fascist rule of the U.S. imperialists, and build an independent and democratic, new society.

They noted with surging indignation that the tragic Kwangju massacre committed by the military fascist clique under the backstage manipulation of the U.S. imperialists was the most atrocious and diabolic slaughter of fellow countrymen unprecedented in the history of the east and the west for all ages.

Pointing out that the U.S. imperialists, the main culprits of the Kwangju massacre, are still interfering in the internal affairs of the Korean nation, seeking only confrontation and war on the Korean peninsula with the South Korean puppet clique, they charged that, on the plea of the fictitious "suspicion of nuclear development" by the North, the United States resumed the "Team Spirit" joint military exercises and is trying to force a "special inspection" and "sanctions" on it through a "resolution" of the United Nations, artificially rendering the situation on the Korean peninsula strained.

It is the most urgent task of the Korean people to prevent the danger of a nuclear war on the Korean peninsula and reunify the divided country, they said, and evinced their firm determination to defend as firm as a rock and glorify the Korean-style socialist system, singleheartedly

united around the party and the leader, and achieve the national reunification in the 90s, come what may.

Overseas Koreans Expose Japanese 'Crimes'

*SK2805105593 Pyongyang KCNA in English 1016
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—Delegates of some 10 non-governmental organisations including the General Association of Korean Residents in Japan (Chongnyon) exposed the crimes of the Japanese imperialists at a working group meeting on slaves of modern type of the U.N. Commission on Human Rights which was held in Geneva on May 18.

The meeting heard testimonies including a report on the results of investigation by the fact-finding team on the truth of the forcible drafting of Koreans, statements on the truth of forcible drafting by victims, confessions of Japanese who had taken part in forcible drafting, publication of materials on the forcing of slavery and punishment, a report on Japan's "conscription" policy by Japanese Professor Jiro Suzuki and exposure of living-body experiment at the Japanese "731 unit" by the fact-finding team on Korean remains discovered in Japan.

Chongnyon submitted to the working group materials including a list of the names of thousands of draftees which were found at the library of the Japanese Ministry of Health and Welfare in 1990, video tapes of materials on forcible drafting and other materials.

Friendship Gathering Held With Iranian Officials

*SK2805044293 Pyongyang KCNA in English 0414
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The Korean Committee for Cultural Relations With Foreign Countries and the Korea-Iran Friendship Association arranged a friendship gathering Thursday on the occasion of the fourth anniversary of Iranian Islamic leader 'Ali Khomeini's visit to Korea.

Invited on the occasion were Ambassador Hasan Taherian and officials of the Iranian Embassy here.

Present there were Chon Yon-ok, vice-chairperson of the Korean Committee for Cultural Relations With Foreign Countries and vice-chairperson of the Korea-Iran Friendship Association, and officials concerned.

The participants appreciated the Iranian documentary film "Travel to Iran".

The gathering proceeded in a friendly atmosphere.

Ministry Hosts Meeting for OAU 30th Anniversary

*SK2805044493 Pyongyang KCNA in English 0416
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The Foreign Ministry hosted a friendship meeting Thursday on the occasion of the 30th anniversary of the founding of the Organization of African Unity [OAU].

Invited on the occasion were ambassadors and embassy officials of African countries here.

Vice-premier and Foreign Minister Kim Yong-nam, Vice-minister of Foreign Affairs Pak Myong-ku and other officials concerned were present.

The participants saw the Korean documentary film "A Great Change".

Speeches were exchanged at the meeting.

Daily Condemns Attacks on 'Democratic Centralism'

*SK2805110793 Pyongyang KCNA in English 1030
GMT 28 May 93*

["Absurd Abuses Accusing Socialism of 'Being Administrative and Commanding'" —KCNA headline]

[Text] Pyongyang, May 28 (KCNA)—It is nonsensical of the imperialists and advocates of the restoration of the bourgeois system to viciously slander democratic centralism, an important principle of the socialist state activities, as "being administrative and commanding", says NODONG SINMUN in a by-lined article today.

What the imperialists seek in abusing the centralistic leadership of the party and the state as "being administrative and commanding" under the cloak of "democracy" is to stifle socialism, the article notes, and stresses:

The absurdity of the argument of the imperialists and the reactionaries accusing socialism of "being administrative and commanding" finds expression in that they distort the method of management in the socialist society which is fundamentally different from the administrative and commanding method in the exploiter society.

It is also manifested in that they, regarding bureaucratic mistakes made in some countries in the past as something inevitable, claim that they emanated from the essential nature of the socialist society.

The enemies of socialism contend that those mistakes were attributable to the centralistic leadership system of the party and the state and that, if the administrative and commanding method of management is to be removed, the state ownership and centralism should be abolished because centralism is based on the state ownership. This is a ridiculous sophism.

The bureaucratic mistakes are not offsprings of the essential nature of the socialist society but are the old legacy that was left over from the exploiter society. The mistakes could not be overcome not because of the centralistic leadership system of the party and the state as alleged by the renegades of socialism but because of the method of leadership, in other words, because of the failure to conduct party and power building and activities in conformity with the aspiration and the demand of the popular masses.

The essential nature of the working-class party and the socialist power is, above all, that they serve the people.

It is an indispensable requisite to the removal of bureaucratism to intensify the ideological work for guiding the officials to be conscious of their being faithful servants of the people, not bureaucrats lording it over the people. However, some countries failed to strengthen the ideological education and ideological struggle among the officials in the past, with the result that they could not overcome such old methods and style of work as bureaucratism and misuse of power. But the imperialists and the renegades of socialism are trying to destroy socialism by getting rid of centralism and creating anarchy, linking bureaucratism with the centralistic leadership system of the party and the state in a far-fetched way.

The deceptive and false nature of the abuses of the imperialists and advocates of the restoration of the bourgeois system slandering socialism as "being administrative and commanding" is clearly illustrated by the realities of those countries where socialism has collapsed.

Publishers Release Book Containing Yi In-mo Notes

*SK2705151493 Pyongyang KCNA in English 1501
GMT 27 May 93*

[Text] Pyongyang, May 27 (KCNA)—A book "Incarnation of Faith and Will" was brought out recently by the Foreign Languages Publishing House in languages of different countries.

Edited in the book are notes of Yi In-mo, a former war correspondent of the Korean People's Army and unconverted long-term prisoner.

Yi remained faithful to his principles and patriotic will though he was subjected to all sorts of tortures and maltreatment defying human imagination for 34 years in South Korean prisons.

Printed in the front part of the book are a photo of Yi In-mo having a moving reunion with his family in march in the dear motherland, a photo of Yi with Kim Sang-won, a South Korean peasant who had taken a good care of him after his release from prison, and his family and other photos. And career of Yi is given in brief.

The notes consist of 11 chapters such as "A Young Revolutionary" on Kaema Plateau", "A Wandering

Young Man in Colony", "Young Fighters of the Chiri Mountains", "Send Me to Koje Island" and "Chongju Preventive Custody House From Where One Departs Only When Dead".

Leaders Send Wreaths to Bier of 'Labor Hero'

Kim Il-song Sends Wreath

*SK2805110993 Pyongyang KCNA in English 1041
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The great leader President Kim Il-song today sent a wreath to the bier of lieutenant general of the Korean People's Army Song Ok-man, a twice labour hero, expressing deep condolences on his death.

Kim Chong-il Sends Wreath

*SK2805111293 Pyongyang KCNA in English 1042
GMT 28 May 93*

[Text] Pyongyang, May 28 (KCNA)—The dear leader Comrade Kim Chong-il today sent a wreath to the bier of lieutenant general of the Korean People's Army Song Ok-man, a twice labour hero, expressing deep condolences on his death.

KCNA Reviews 28 May Pyongyang Press

*SK2805060193 Pyongyang KCNA in English 0459
GMT 28 May 93*

[press review]

[Text] Pyongyang, May 28 (KCNA)—Papers here today frontpage a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Issayas Afewerki upon the proclamation of the independence of Eritrea and his election as president of the State of Eritrea.

NODONG SINMUN reports that President Kim Il-song received a message from Polish President Lech Walesa in reply to his message of greetings to the latter on the national day of the Polish people.

Appearing in the paper is a letter sent to the great leader President Kim Il-song from the participants in the Indian national seminar on the chuche idea and the independence of the present world.

It is reported in the paper that Nepalese and Burundian papers published articles on the election of the dear leader Comrade Kim Chong-il as chairman of the National Defence Commission of the Democratic People's Republic of Korea.

The paper carries news of an inaugural meeting of the Kochi, Japan group for the study of Kim Chong-il works.

Given in the press is an account of a meeting held to commemorate the 60th anniversary of the historical meeting on Kumsan Hill (Chongsong area) of North

Hamgyong Province, organized and directed by President Kim Il-song, which was of weighty importance in developing and expanding the anti-Japanese armed struggle to the homeland.

Conveyed in the press are voices of South Korean people supporting the 10-point programme of the great unity of the whole nation.

NODONG SINMUN carries an editorial calling for making all the cells of the Workers' Party of Korea [WPK] faithful to the party and the leader and an article headlined "Absurd Abuses Accusing Socialism of 'Being Administrative and Commanding'".

MINJU CHOSON comes out with an article titled "Love and Trust for People Is Keypoint of Anthropocentric Politics."

Figuring large in the press are achievements made by working people in different domains of the national economy in the efforts to fulfill the tasks set in the calls of the WPK Central Committee on the 40th anniversary of the victory in the Fatherland Liberation War.

The construction of the monument to the victory in the Fatherland Liberation War is progressing at a fast speed in Pyongyang with the approach of the 40th anniversary of the victory in the war, reports NODONG SINMUN.

Under the blockletter headline "Let Us Become Loyal Subjects and Filial Sons and Daughters Always Faithful and Devoted to the Party and the Leader!", a call of the WPK Central Committee, the paper devotes a large space to noble traits displayed by working people.

Party organizations at all levels are encouraging party members and working people to be true revolutionaries who invariably maintain their revolutionary principles as former war correspondent of the Korean People's Army Yi In-mo, the incarnation of the faith and will, did, says the paper.

The press gives accounts of mass meetings held in provincial seats to mark the 13th anniversary of the heroic Kwangju popular uprising.

The press informs the readers that the South side headquarters of the National Alliance of Youth and Students for the Country's Reunification and the South Korean Federation of General Student Councils published a solidarity address on the "Anti-U.S. Day", a South Korean opposition party urged the punishment of the chief culprits and others responsible for the December 12 incident in 1979 and members of the Family Movement for Realising Democracy of South Korea staged a sit-in demanding the release of unconverted long-term prisoners and workers.

According to the press, the U.S. imperialist aggressors continued provocative air war exercises against the North and the South Korean puppet army staged the "army coordination demonstration exercise-93".

In the second installment of an article exposing South Korea's development of nuclear arms NODONG SINMUN says its nuclear arms development has a nearly 30 years long history.

The United Nations' unreasonable "resolution" has come under fire in the international community, says the press.

A NODONG SINMUN analyst hits at the utterances of the U.S. deputy secretary of defence revealing the U.S. intention to permanently occupy South Korea.

Papers observe the national days of Azerbaijan and Armenia.

The press carries news that a symposium on Mao Zedong's idea and theory on party building was held in China and the Cuban foreign minister demanded respect for the independence of his country.

"Grave Effect of Environmental Destruction on Mankind" is the title of a NODONG SINMUN article.

MINJU CHOSON carries an article accusing Britain and France of their nuclear proliferation.

South Korea

Reportage on DPRK Nuclear Treaty Issue Continues

Seoul To Propose 4 Jun Contact Date

SK2705113593 Seoul KBS-1 Radio Network in Korean
1000 GMT 27 May 93

[By correspondent Kwak U-sin]

[Text] In a high-level strategic meeting of ministers concerned with unification chaired by Prime Minister Hwang In-song at the prime minister's residence at Samchong-tong in Seoul today, the government decided to accept the North's proposal for the vice ministerial-level preliminary contact. The government also decided to inform the North side of its decision through the prime minister's letter on the morning of 29 May.

Predicting that it will be able to discover North Korea's true intention in the U.S.-North Korean contact on 2 June, the government in today's meeting decided to propose to the North side that the preliminary contact be held on 4 June.

The government has decided to inform the North side in the preliminary contact that if North Korea returns to the Nuclear Nonproliferation Treaty [NPT] and dispels suspicion about its nuclear weapons development, the exchange of vice prime ministerial-level emissaries will be possible to improve overall North-South relations—including economic cooperation.

At the same time, the government will promise permanent suspension of the Team Spirit exercise, improvement of U.S.-North Korean relations, and immediate resumption of North-South economic cooperation if North Korea positively responds to resolving the nuclear issue.

The government predicted that if North Korea does not return to the NPT by 12 June, economic sanctions will be taken by the United Nations. The government has decided to notify the North side that it will join in the sanctions if this is the case.

The government has maintained a prudent attitude and has made this decision. The North side's reaction to our revised proposal for the preliminary contact will reveal whether the North side's proposal for summit talks is truly aimed at improving relations or breaking the deadlock.

DPRK To Raise 'Six Items' With U.S.

SK2805003493 Seoul YONHAP in English 0014 GMT
28 May 93

[Text] New York, May 27 (YONHAP)—Ho Chong, minister at the North Korean mission to the United Nations, said Thursday [27 May] the high-level U.S.-North Korean talks will have to discuss not only the nuclear question but all other pending issues. Among the six items North Korea will take up at the meeting, scheduled to be held here next Wednesday [2 June], was a specific pledge by the United States not to use nuclear weapons against North Korea, Ho said.

The United States has said it would discuss other issues only after North Korea rescinded its decision to withdraw from the Nuclear Nonproliferation Treaty and accepted inspections of its nuclear facilities by the International Atomic Energy Agency.

Speaking at a meeting sponsored by the U.S. National Council of Churches, Ho said that other North Korean demands are the permanent suspension of joint U.S.-South Korean military exercise, codenamed Team Spirit, opening of U.S. bases in South Korea, removal of the so-called U.S. nuclear umbrella from South Korea, withdrawal of U.S. troops from South Korea and U.S. recognition of the socialist system of North Korea.

Expressing high hopes for the upcoming talks, Ho said problems related to the Korean peninsula have to be resolved in negotiations between North Korea and the United States.

Ho also urged South Korea to exchange special envoys and said the North and South would be able to find out the possibility of holding a summit between presidents of the two countries through the proposed exchanges of emissaries. They could also discuss the nuclear and other pending problems, he said.

U.S.-DPRK Talks May Delay Seoul-U.S. Talks

SK2805072593 Seoul YONHAP in English 0702 GMT
28 May 93

[Text] Seoul, May 28 (YONHAP)—Abrupt contacts between the United States and North Korea might delay the scheduled South Korea-U.S. defense ministers talks, informed security sources said Friday. The sources, speaking on condition of anonymity, told that the talks scheduled for June 8 in Washington might be delayed for a while as the U.S. side learnedly wanted to put them off for a tight schedule of Defense Secretary Les Aspin.

The talks were initiated by William Perry, deputy secretary of defense, in an effort to reconfirm the existing alliance between Seoul and Washington including the Korea-U.S. mutual defense treaty with the establishment of the new governments on both sides. Perry visited Seoul early this month.

Both sides have yet decided topics on the agenda, the sources said, with such abrupt situations as the high-level contacts between the U.S. and North Korea to discuss the North's decision to withdraw from the Nuclear Nonproliferation Treaty and refusal to accept international nuclear inspections. The U.S.-North Korea contacts are due to be held in New York on June 2.

At the same time, the recent North Korean proposal to the Seoul government to have working-level contacts to exchange emissaries for an inter-Korean summit meeting has also affected the talks on the part of the Seoul side, the sources said. "Washington is delaying setting a detailed timing for the talks of the defense chiefs for a tight schedule of the defense secretary," a source said, adding that the attitude was construed as a bid to keep a watchful eye on the results of the U.S.-North Korea and inter-Korean contacts. However, the sources ruled out the possibility of the cancellation of the talks in the light of pending issues between Seoul and Washington.

Daily: DPRK Proposal To 'Feel Out' Situation

SK2705053293 Seoul THE KOREA HERALD in
English 27 May 93 p 6

[Editorial: "Pyongyang's Dialogue Feeler"]

[Text] The overtures made by North Korea for a meeting of special envoys of the Seoul and Pyongyang governments have been received with mixed reactions here. To begin with, it is taken to be an affirmative response to an earlier proposal made by Seoul for a contact between delegates at Panmunjom to set the groundwork for the resumption of the inter-Korean prime ministers' talks.

The North Korean message sent by Premier Kang Song-san called for a meeting of "presidential" emissaries who should be deputy prime minister-level officials in charge of unification affairs. The rather specific designation of the delegates and their special accreditation by the heads

of the two governments are quite unusual and probably reflective of a motion in Pyongyang in favor of an inter-Korean summit.

Kang's communication took notice of the new Seoul government's position that sets greater store on "the interest of the nation (people)." It apparently referred to the part of President Kim Yong-sam's inaugural address which stated that the concept of "minjok," or national overrides partnerships with other countries.

The timing of the offer, however, coincided with an accord for the opening of high-level talks in Washington between the United States and North Korea, and thus the real intent of Pyongyang is more elusive and suspicious. The deadline for the reversal of North Korea threat to pull out of the Nuclear Nonproliferation Treaty is only a couple of weeks away. A show of responsiveness to negotiated settlement of the differences is believed to be a highly diversionary tactic at this critical time.

Whatever the case may be, the overtures of the North are better than no response at all. However, the always-strategic character of North Korean policy compels the South to take them with more than a grain of salt. Faced with mounting international pressure against its nuclear adventurism, North Korea is no doubt seeking to earn time and reprieve by engaging Seoul in dialogue.

Another aim of Pyongyang is to feel out the true attitude of President Kim and his government in dealing with North Korea on the issue of reunification of the peninsula. There is little ground for hesitation in approving the proposed meeting of presidential envoys, provided that the administration has a fresh package of programs for imaginative Nordpolitik and reunification up its sleeve. Our terms must be clearly understood on two vital points: denuclearization of the Korean Peninsula is indispensable and the renewed idea of Korean nationalism does not imply appeasement of totalitarian Communist ideology.

Officials View Proposal as 'Plot'

SK2705045893 Seoul THE KOREA HERALD in English 27 May 93 p 2

[By staff correspondent Kim Hae-won]

[Text] North Korea has apparently put the South in a dilemma by proposing on Tuesday to exchange presidential emissaries and discuss a South-North summit meeting. South Korean officials, in general, believe the proposal is a carefully devised plot aimed at helping the Communist regime escape the current international pressure concerning its nuclear program. Nevertheless, they know that they cannot reject the proposal out of hand.

If the South turns down the proposal, the North will attribute to the South all the blame for a deadlock in inter-Korean dialogue. An official in the South said

Seoul will accept the offer for vice minister-level preliminary talks May 31 in order to gauge the intention of the North Koreans.

But it will take some more time to work out positions on other offers, such as exchange of presidential emissaries and an inter-Korean summit, he said, adding Seoul also needs to consult with other countries including the United States and China. The official said the South will send a reply by Saturday.

Another official said Seoul is considering accepting the Pyongyang offers on the condition that the North first clears up controversy surrounding its nuclear program. South Korea and the United States say that to resolve the nuclear issue, the North should return to the Nuclear Nonproliferation Treaty (NPT), accept inspections by the International Atomic Energy Agency (IAEA) on two suspected facilities in Yongbyon and implement inter-Korean nuclear inspections.

North Korea watchers in Seoul believe the May 25 proposal of North Korea serves multiple purposes for the Communist regime. First, they say, Pyongyang nicely returned the ball to the South Korean court, after Seoul had shifted the initiative to Pyongyang May 20 by offering to have vice minister-level talks on the nuclear issue.

Seoul then suggested that the two Koreas meet May 27 to resolve the North Korean nuclear issue before June 12, when the North Korean withdrawal from the NPT takes effect. North Korea, in response, came up with a counterproposal offering three-stage inter-Korean contacts composed of working-level contacts, exchange of presidential emissaries to each side's capital and an inter-Korean summit.

Whether the summit will be realized or not, it seems almost impossible for the two Koreas to resolve the North Korean nuclear issue before the June 12 deadline, the observers say. This delay in inter-Korean nuclear talks will also help North Korea to avoid, for a considerable time, a second U.N. Security Council resolution that is expected around June 12, they say.

North Koreans will highly likely cite their "efforts to solve the nuclear issue through inter-Korean dialogue" when they are further pushed by the United Nations and other countries concerning its nuclear problem, the analysts say. China, with veto power at the U.N. Security Council, has long suggested dialogue between the two Koreas.

North Korea may also want to test the policy of the new government in the South toward North Korea, they say. President Kim Yong-sam said, in his inauguration speech in February, that he is willing to meet North Korean President Kim Il-song at any time and at any place to discuss the matters on the nation's future. Now Pyongyang wants Seoul to prove Kim's words were true.

North Korea also embarrassed the South by picking Deputy Prime Minister and Unification Minister Han Wan-sang as the southern-side presidential emissary. In Tuesday's proposal, North Korea said the envoys to be exchanged by the two sides should be "deputy prime minister-level officials in charge of unification."

In the South, only Han meets the qualification. But in North Korea, the analysts say, there are a handful of officials with the qualification. Deputy Prime Minister and Foreign Minister Kim Yong-nam is among them but Kim Yong-sun, an international affairs secretary of the Worker's Party, is also eligible. This is something like playing a game with one card while the other part holds several, one analyst says. Moreover, Deputy Prime Minister Han, a sociologist, is known for his "progressive" view on inter-Korean matters inside the government, he says.

Opposition Gives 'Guarded Welcome'

SK2705031793 Seoul THE KOREA TIMES in English
27 May 93 p 2

[Text] The opposition Democratic Party yesterday expressed a guarded welcome to North Korean proposal for contacts of presidential emissaries to discuss inter-Korean summit talks. Party spokesman Rep. Pak Chi-won said, "In principle we don't object to a South-North summit meeting as we have stressed its necessity before."

"But we will keep a watchful eye on the real motives of the North, not forgetting the possibility that the proposal is an attempt to turn its difficult situation around with the amounting international pressure in connection with the nuclear problem," he said. "The North's proposal is believed to be a bid to avoid economic sanctions by the United Nations ahead of the high-level meeting with United States," Pak said.

He urged the government to fully consult with friendly nations including the United States in handling the Northern proposal. He said possible inter-Korean summit talks should be prepared carefully and there should be vigorous discussion of unification issues at the National Assembly level.

Editorial: 'Glimmer of Hope' in Proposal

SK2705052093 Seoul THE KOREA TIMES in English
27 May 93 p 6

[Editorial: "North Korea's Proposal for Dialogue"]

[Text] North Korea's proposal of an exchange of presidential emissaries comes abruptly at a crucial stage as international efforts to resolve the nuclear problem are gaining momentum. In a message to Prime Minister Hwang In-song, his North Korean counterpart, Kang Song-san also proposed that the two Koreas hold a working-level contact on May 31 at the truce village of Panmunjom to discuss the exchange.

The North Korean proposal is of course in response to the Seoul government's May 20 proposition that an inter-Korean contact be held for the resumption of high-level talks. Yet, the North's suggestion that visits of deputy premier-level envoys be exchanged is unprecedented and abnormal in view of the present state of inter-Korean dialogue.

Even more startling is Pyongyang's wish that the special emissaries be able to discuss a meeting between the supreme leaders of the two Koreas for the resolution of unification problems. The proposal is construed as the North's indirect bid for an inter-Korean summit, a meeting that has been often talked about by the two sides.

Analysis of the Pyongyang message seems to indicate that the North Korean leadership is intent on testing the new government on inter-Korean cooperation and the nuclear question. Undoubtedly the North Koreans are prompted by President Kim's inaugural address in which he said he was ready to meet the North Korean leader at any time and at any place but with the condition that the nuclear issue be first resolved.

At this state with the nuclear question at such a critical stage, the Seoul government is not in a position to seek a summit meeting or discuss economic cooperation. As the Seoul government's basic stance is that there should be no full-fledged inter-Korean cooperation before the nuclear issue is settled, the government needs to refrain from holding out the hand of friendship and to keep pace with the United States and other allies in the joint international effort to cope with Pyongyang's intransigence.

It is to be recalled that Pyongyang has often come out in the past with dramatic steps to escape from the horns of a dilemma. The latest proposal could be another attempt to release increasing international pressure over its nuclear program.

Now, North Korea is promoting two sets of talks on the nuclear question with the United States and South Korea but the line it will take in such talks has yet to become clear. Most probably it is only trying to buy time until June 12 when its pronounced withdrawal from the Nuclear Nonproliferation Treaty (NPT) takes effect and the United Nations loses legal grounds to take sanctions against the North.

On the other hand, Pyongyang may attempt to exact maximum concessions from Seoul and Washington in return for the retraction of its NPT pullout statement, even though this may not mean it will accept special inspections of suspected nuclear sites by the International Atomic Energy Agency.

It is necessary for Seoul and its allies to beware Pyongyang's possible attempt to play one off against the other over differences in nuclear policies and thus to bring about disarray to our concerted steps. The North's

invariable tactic is to ignore all bilateral and international promises and obligations when they prove not to serve its purposes.

The North's suggestion that Deputy Premier Han Wansang of the National Unification Board be President Kim's special envoy is undiplomatic and indicative of a hidden strategy, considering that Han, formerly a political dissident, is regarded as taking a somewhat progressive attitude toward inter-Korean issues.

The Pyongyang leadership may intend to exploit Han's progressive unification policy line for its own ends or to drive a wedge between the Seoul government's unification policy makers. The government may well prudently examine the North Korean message before making an official response.

But in any event, the government will have to accept the Pyongyang offer in some form or other as outright rejection could be taken to mean a lack of efforts to negotiate a solution and eventually full responsibility for the disruption of the nuclear talks.

If the government deals with the North Korean overture properly and wisely, some unexpected results may be gained, on the assumption that the hardline communist state needs a face-saving formula before it can comply with its international nuclear obligations. We incline to entertain a glimmer of hope about the proposed inter-Korean contact, even though we will be least surprised if the North steps back from renewed dialogue for any unpalatable excuse.

Daily Views 'Hidden Purpose' of Proposal

*SK2805034093 Seoul CHOSON ILBO in Korean
27 May 93 p 3*

[Editorial: "Hidden Purpose of the North's Proposal for a South-North Summit"]

[Text] A South-North summit must be held some day. Holding talks between the heads of South and North Korea to discuss the nation's problems itself will be considered a great progress. Having gone through two regimes, our side has broadened the road to a South-North summit since it first proposed it in January 1981.

In his inaugural address, President Kim Yong-sam declared: "I can hold open-minded talks with President Kim Il-sung to discuss the future of the nation at any place and at any time." This was an expression of the civilian government's attitude toward South-North dialogue.

If North Korea's recent proposal is an answer to our old proposal for a South-North summit, we can be optimistic about holding the summit. However, when we think about why North Korea is only now proposing the summit, we cannot accept its proposal as one with a sincere motive.

North Korea's withdrawal from the Nuclear Nonproliferation Treaty [NPT] will be effective on 12 June. With this about two weeks away, North Korea is concentrating all its efforts on diplomacy. It seems that North Korea will pursue maximum diplomatic interests at high-level talks with the United States slated for 2 June by hinting at the possibility that it will repeal its decision to withdraw from the NPT.

North Korea probably thinks that when preparatory tasks for a South-North summit in addition to U.S.-North Korea talks are undertaken, North Korea can use both sides of the "nuclear card." From the viewpoint that the South has an earnest desire for a South-North summit and for nuclear inspections of North Korea, North Korea is probably confident that it can lead negotiations to a direction favorable to itself.

If North Korea's pursuit would ultimately help resolve the nation's problems and hasten reunification, we could daringly accept it no matter what hidden purpose it has. However, if it is only a reunification front strategy aimed at earning time, we must respond to it carefully.

It is quite possible for South and North Korea to conduct preparatory tasks for a South-North summit through their high-level talks. North Korea itself said that "if high-level talks would be successfully held, it would be possible to hold summit talks," didn't it? Why is North Korea now insisting on lowering the level of talks and on negotiating a South-North summit through vice ministerial envoys who are "in charge of business concerning reunification"?

Since the 4 July South-North joint declaration, North Korea has always blocked bodies for improving South-North relations from being operated although it had cooperated with the South in forming those bodies. Because of all of this, we cannot help but have a doubt about the North's recent proposal. People have a strong suspicion that the hidden purpose of the North's proposal is to make the basic agreement signed at the South-North high-level talks turn out to be a mere scrap of paper.

Therefore, our government must be prudent in responding to North Korea's proposal. It must answer it after completely grasping North Korea's real intention, so that a productive South-North summit can be held. North Korea has recently said: "We know that, with the inaugural of the new government, your side has expressed its position of valuing the nation's interests unlike the past." We do not need to be encouraged by this 'compliment'.

Russian Official on Korea Policy

*SK2805054593 Seoul HANGUK ILBO in Korean
26 May 93 p 6*

[Interview with Mikhail Titarenko, director of the Far Eastern Department under the Russian Academy of Science, by correspondent Yi Chun-hui on 24 May; place not given]

[Text] Mikhail Titarenko, director of the Far Eastern Department under the Russian Academy of Science, is an expert on Korean peninsula affairs. He said: It is only a matter of time before North Korea's nuclear issue is resolved. He added: If International society, including the United States, provides North Korea with a method [myonbun] and opportunity for reversing its withdrawal from the Nuclear Nonproliferation treaty [NPT], North Korea will return to it.

Director Titarenko, who is visiting the ROK at the invitation of Hanyang University's Institute for Chinese-Soviet Affairs (Director Professor Yu Se-hui), answered questions with the help of Vadim Takachenko, another expert on North Korean affairs, who was chief of the Korean Affairs section in the former CPSU Central Committee's International Department for 30 years.

Titarenko said: The suspension of North-South dialogue caused North Korea's nuclear issue. If the U.S.-North Korean talks are held, North Korea's nuclear issue will be resolved.

Asked to name a method [myonbun] that would allow North Korea to reverse its decision to withdraw from the NPT, he said: A method will be discussed at the U.S.-North Korea talks. The improvement of U.S.-North Korean relations or a measure corresponding to improving U.S.-North Korean relations will be a way for North Korea to reverse its decision to withdraw from the NPT. He added: If the United States promises to improve relations with North Korea, North Korea will change its attitude.

Based on his position as chairman of the Russian Scholars Association for Chinese Affairs, he predicted: Because both China and Russia are persuading North Korea to return the NPT and are acting as intermediaries for the U.S.-North Korean talks, something good will come out of the U.S.-North Korea talks.

As for reports in IZVESTIYA (June 1992) and STERN (February 1993) that the former Soviet Union provided North Korea with 56 kilograms of plutonium, he sternly said: As far as I know, no such thing happened.

About the allegation that Russia's influence over North Korea has markedly [hyonjohi] decreased, Titarenko said: North Korea's nuclear issue has made the Russian Government realize that Yeltsin's policy on the Korean peninsula is wrong as a long-term policy. He added: The Russian Government will not adhere [talpi] to the policy of centering on the ROK and will try to recover its influence over North Korea.

As a concrete way to recover Russia's influence over North Korea, he referred to the supply of crude oil and weapons which North Korea urgently needs. He said: Even though this is contrary to Russia's basic policy on relaxing tension on the Korean peninsula, Russia has no alternative.

Noting that the economic cooperation between the ROK and Russia is very sluggish, he said: This situation can be a reason for Russia to strengthen exchanges with North Korea.

After participating in the seminar on the Yeltsin government's policy on the Korean peninsula, which will be held under the auspices of Hanyang University's Institute for Chinese-Soviet Affairs, Titarenko's entourage will leave the ROK on 26 May.

Moscow Paper: NPT Pullout Encourages Others

*SK2805031293 Seoul YONHAP in English 0132 GMT
28 May 93*

[Text] Moscow, May 28 (YONHAP)—North Korea's withdrawal from the Nuclear Nonproliferation Treaty [NPT] is highly likely to stimulate nuclear ambitions of other developing countries, thus inviting a serious threat to the world peace and stability, Russian media reports said Thursday. IZVESTIYA and other Moscow papers, noting that a "new situation" was evolving in which nuclear weapons proliferate rapidly across the world, said North Korea's decision to pull out of the NPT would have an instant effect on India, Israel and Pakistan.

But, the reports said, the most serious threat would be posed by Ukraine which owns the third biggest arsenal of nuclear weapons in the world but is yet to be officially recognized as a nuclear power internationally. The reports said Ukraine does not care for its denuclearization plan slated to be completed by 1994 and refusing to join the NPT, creating suspicion that it might be more interested in winning the status of a nuclear power.

As for Iran, the reports took notice of five nuclear research centers now under construction with the help of China and some Western countries and said Iran is likely to start to produce nuclear weapons in a few years. Rumors are circulating that Iran is being supplied by neighboring Kazakhstan with necessary technology, a report claimed.

Russian intelligence agencies are worried that the practice of smuggling enriched uranium and plutonium out through the southern border of the Commonwealth of Independent States would increase in frequency along with a continued commercialization drive in all industrial sectors in Russia, the reports said. A report said all former Soviet republics owning nuclear materials, except Russia, are ignoring calls for tightened control on exports of enriched uranium and plutonium.

PRC's Qian Qichen Continues Seoul Visit

Tours Daewoo Auto Plant

*SK2805064793 Seoul YONHAP in English 0519 GMT
28 May 93*

[Text] Seoul, May 28 (YONHAP)—Chinese Foreign Minister Qian Qichen toured Daewoo Motor Co.'s automobile assembly plant in Pupyong, west of Seoul, with

Daewoo Chairman Kim U-chung acting as his guide, on Friday. Before the tour, Qian discussed over lunch with Kim on measures the Beijing government has to take in support of Daewoo's plans to build an automobile factory in China, informed sources said. After the tour, the Chinese foreign minister left for Pohang to visit Pohang Iron and Steel Co.

Earlier, he attended a breakfast meeting hosted by former Foreign Minister Yi Sang-ok at the Shilla Hotel to deepen the friendship they formed as main players in normalizing relations between the two countries last year. Qian invited Yi to visit China, which Yi immediately accepted, saying he would visit places of historic interest, like Xian, next year.

Tours Pohang Steel Complex

SK2805094393 Seoul YONHAP in English 0929 GMT 28 May 93

[Text] Pohang, South Korea, May 28 (YONHAP)—Visiting Chinese Foreign Minister Qian Qichen toured the Pohang Iron and Steel Co. (Posco) plant here Friday. Qian, accompanied by Korean Amb. [ambassador] to China Hwang Pyong-tae and other officials, looked around the mammoth plant and was briefed on the history of the Posco from Posco officials. Qian returned to Seoul after the tour.

Firms To Vie for PRC's Oil Exploration Projects

SK2805040293 Seoul YONHAP in English 0311 GMT 28 May 93

[Text] Seoul, May 28 (YONHAP)—South Korean firms are moving fast to win China's international biddings on oil tapping in economically viable areas in the East China Sea and Tarim basin. Sources at Korea Petroleum Development Corp. (PEDCO) and Yukong Ltd. say they have agreed to submit a joint tender by June for the oil exploitation project in the East China Sea, slated to be awarded before December.

PEDCO and Yukong have been making feasibility studies in the area since January and will select their choice of drilling spots to apply for the project next month. Some 20 oil deposits, to be put into bidding by China National Offshore Oil Corp. (CNOOC), are estimated to contain 74 billion barrels of crude and experts believe the proposed project is economically viable in view of discoveries of gas fields nearby 16 deposits in southern region.

If they win the contract, PEDCO and Yukong will form a consortium with Hyundai Corp., Daewoo Corp., Samhwan Industrial Co., Hyosung Corp., and Korea Polymer Co. and start a full-fledged exploration early next year. Also Lucky-Goldstar International Corp., and Kyongin Energy Co., will offer their try at the East China Sea bidding with their foreign consortium partners by staking 15 percent each.

This is Korea's first attempt at China's international bidding on its oil tapping project. It is China's fourth international bidding for the development of off-shore petroleum resources. Korean companies also have their eyes on an exploration project in tarim basin that invites foreign bidding by October and announces successful bidders April next year.

In the Tarim project, promoted by the China National Petroleum Corp. (CNPC), PEDCO, Yukong, Samsung, Hyundai, and Hanbo Energy Co. hope to take part. They attended explanatory sessions in China last month and also at home.

Prosecutor's Office Arrests Lawmaker Kim Chong-in

SK2705130093 Seoul YONHAP in English 1206 GMT 27 May 93

[Text] Seoul, May 27 (YONHAP)—The Prosecutor General's Office on Thursday afternoon placed under arrest Rep. Kim Chong-in of the ruling Democratic Liberal Party for receiving 210 million won in bribes from An Yong-mo, president of the Tonghwa Bank. A prosecution source said that Kim received the money on three occasions—December 1991, February 1992 and March 1992—during his service as senior Chongwadae [presidential offices] economy secretary.

The banker gave the money to Kim with the request that he favorably handle matters related to his bank and that he exercise his influence so that he be named the bank head for another term. Kim received additional 40 million won from An after he left Chongwadae, but the prosecution dismissed this because the money was not intended to obtain any favoritism. Meanwhile, the prosecution suspended indictment of Rep. Yi Won-cho and former Finance Minister Yi Yong-man, suspected of having received 300 and 500 million won, respectively, from An, because they are now staying abroad.

The prosecution will urge them to return home early and renew indictment of them upon their return, the source said. The source added that the prosecution have found no government officials or politicians other than the three involved in An's case, and have therefore terminated investigation of the case.

DLP Lawmaker Admits Not Disclosing Assets

SK2705023793 Seoul YONHAP in English 0153 GMT 27 May 93

[Text] Seoul, May 27 (YONHAP)—Rep. Chong Chae-chol, chairman of the ruling Democratic Liberal Party's [DLP] Central Standing Committee, acknowledged Thursday failing to declare 1.2 billion won (1.49 million U.S. dollars) of stock when disclosing his assets in March.

Chong apologized and said that he had reported all of his real estate.

He claimed that he had planned to register the stock when he would submit a new financial disclosure statement under the revised Public Servant Ethics Law.

Chong owns 242,048 shares with an aggregate market value of 1,210 million won registered in the name of his wife and son. He had declared assets of 2.31 billion won in March.

Kwangju-Involved Lawmakers To Retain Positions
SK2705104593 Seoul YONHAP in English 0951 GMT 27 May 93

[Text] Seoul, May 27 (YONHAP)—The incumbent administration will not take any action against those soldiers turned politicians who played leading roles in the December 12, 1979 incident, Chongwadae [presidential offices] spokesman Yi Kyong-chae said on Thursday. "Through elections, judgement has already been passed on these lawmakers who took part in the December 12 incident," Yi said.

He said that as the incident was newly branded as a "coup d'etat-like incident," "we don't know if it would have any effect on these politicians in future elections, but Chongwadae and the ruling party, in their part, have no way but to leave judgement on them to the will of people." The spokesman said the active general-grade officers involved in the incident were recently transferred to the reserve status in the light of the need to maintain a firm command channel in the military as no actions had ever been taken against them before.

Unification Minister Meets Student Representatives

SK2505123093 Seoul YONHAP in English 1134 GMT 25 May 93

[Text] Seoul, May 25 (YONHAP)—Deputy Prime Minister Han Wan-sang on Tuesday met six representatives of the National Alliance of college student organizations (Hanchongnyon) to exchange opinions on unification policies. During the meeting, students asked Han to allow them to have a preliminary meeting with North Korean students at Panmunjom on June 12 to discuss the issue of concluding sisterhood ties between South and North Korean colleges.

Deputy Premier Han, who is concurrent national unification minister, said the government would consider allowing the meeting if the contact were to discuss the issue of sisterhood ties only, a government official said. Among the student representatives were Cho Tu-hyon, chairman of the Seoul National University student organization, and Sin Chang-hyon and Kim Pyong-sam, chairmen of the student bodies of Korea and Yonsei Universities.

Kim Yong-sam Urges Buddhists To Aid in Reform
SK2505074693 Seoul YONHAP in English 0618 GMT 25 May 93

[Text] Seoul, May 25 (YONHAP)—President Kim Yong-sam, attending the 13th Buddhist prayer service for the country and the people, urged the Buddhist community Tuesday to walk at the head to build a new nation by self-reformation and self-purification. Kim listed his government's efforts to root out corruption and cure the so-called Korean disease to create a new Korea in a speech at the service.

In the congregation were So Ui-hyon, president of the Korean Buddhism Chogye Order, and 1,000 believers. He asked Buddhist leaders to serve as spiritual mentors for society in the movement of self-cleansing and self-reformation. "I hope the Buddhist community directs moral regulations and sets an example by acting out them," Kim said, also calling it to devote itself to enforce spiritual and social discipline.

Shakeup Reflects Change in Military 'Thinking'
SK2805014393 Seoul THE KOREA HERALD in English 28 May 93 p 3

[“News analysis” by staff correspondent Pak In-chol]

[Text] With a series of bold shakeups, President Kim Yong-sam appears to have successfully changed not only the top personnel but also the way of thinking of the military. He has, among other things, completely destroyed a small group of politicized officers thus uprooting a source of much wrongdoing within the military. The members of this group, commonly called "Hanahoe," indulged in various corrupt activities for the sake of their personal career success.

By purging this clique, Kim has not only boosted the morale of the military in general but implanted a recognition that the pursuit of political goals by officers will not be tolerated. This message was most clearly conveyed by the ousting this week of four generals involved in the Dec. 12, 1979, military revolt. Kim defined this revolt as "an incident tantamount to a coup d'etat" and hence, it was inevitable that he would not tolerate the fact that four participants in the incident held top military posts.

But the four retired generals were at the time of the revolt all colonels or lieutenant colonels who, it is said, simply acted upon the orders of their commanders. Toward those who had commanded them, Kim has not taken any action and has suggested that the reckoning upon them be left to history.

Kim's attitude, however, has been harshly criticized by the opposition Democratic Party [DP]. Yi Ki-taek, the party's leader, for example, claimed that the commanders should be punished as well.

The DP's criticism may have some political impact but will not affect the military. With the axing of the four generals, the controversy within the military concerning the revolt has virtually been put to an end.

Another important trend illustrated by the reshuffles is that of a more balanced development of the three branches of the armed services. This message was demonstrated by the appointment of an Air Force general as chairman of the Joint Chief of Staffs [JCS]. This appointment has not only helped Air Force and Navy officials to restore honor that was tainted by the recent money-for-promotion scandals but also will help restructure the military.

Until now, the Army has long been given priority and enjoyed dominance over the two other branches. But this tradition will be curbed as the Korean military faces the task of modernization.

Also noteworthy in Kim's recent reshuffles was the promotion to four-star general of an officer with ROTC (Reserve Officers' Training Corps) background. This action represents a challenge to the dominance within the Army of the graduates of the Korean Military Academy [KMA]. Although fewer in number than ROTC officers, the KMA graduates virtually monopolized major Army posts, alienating officers with different backgrounds.

In the Navy, Kim also made a surprise appointment: He named a relatively low-ranking rear admiral to the top Navy post. This decision is probably the best example of how promotions in the military will be evaluated in the future. The rear admiral is reportedly a man of ability, integrity and leadership. His jump to the rank of admiral is expected to force three vice admirals to step down.

These shakeups are regarded as "revolutionary" by some commentators. Firmly based on his moral authority, Kim is able, they say, to carry out fundamental personnel reforms in a peaceful way. It is likely that there have been complaints about Kim's relentless purging of corrupt or politicized elements in the military. But no such complaints have surfaced in public.

Army spokesman Col. Yi Tong-nam said that the Army has no complaint about the appointment of an Air Force general to the JCS chairmanship. And the four Army generals who had to retire for their roles in the 1979 revolt reportedly all accepted the President's action submissively.

Korean Car Sales in U.S. Up Due To Rising Yen

SK2805023393 Seoul YONHAP in English 0126 GMT
28 May 93

[Text] Seoul, May 28 (YONHAP)—Thanks to a continuous rise in the value of the Japanese yen, South Korea is selling more cars in the United States, the Korea Automobile Manufacturers Association (KAMA) said Friday. In contrast, Japanese and West European cars

are quickly losing their grounds on the U.S. market due to popularity of domestically produced cars.

In the first four months of this year, a total of 2,657,500 cars were sold on the U.S. market, up 0.5 percent from 2,644,200 in the same period last year. Americans bought 382,700 Japanese cars in January-April, off 12.4 percent from 437,100, while purchasing 95,600 West European cars, down 10.4 percent from 106,700. Also the number of Japanese cars imported under original equipment manufacturing contracts and sold by the three major U.S. automakers, shrank 24.3 percent to 38,700 from 51,100.

In contrast, 54,100 Korean cars were sold during the period, up 3.6 percent from 52,200. Buoyed by campaign to buy domestic cars, sales of American vehicles rose 4.5 percent to 2,086,300 from 1,997,000. While Chrysler and Ford raised their sales 33.2 percent and 10.2 percent, respectively, GM lost 2.1 percent. Kama officials noted the preference over American cars were eating away market shares of Japanese and West European cars and predicted Korean automakers would do better on the U.S. market if the Korean car manufacturers could raise quality and expand sales network and if the strength of the yen keeps up.

*** Former Dissidents Work With Kim Yong-sam**

932C0136A Seoul HANGYORE SINMUN in Korean
19 Apr 93 p 3

[By correspondent O Tae-kyu]

[Text] Riding the wind of the Kim Yong-sam Administration's reform drive, former antigovernment forces are gradually joining the ranks of the "participatory reform" drive.

Underlying this trend are, on the one hand, an effort on the part of the Kim Yong-sam Administration to improve the quality of reform by drawing former dissidents into its fold, and on the other, the rationale on the part of the participating dissidents in favor of "revitalizing Kim Yong-sam's reform drive."

However, this trend among dissident or activist groups has reached neither an organized scale nor an open polemic stage. As of now, the Kim Yong-sam Administration's effort to draw in dissident figures remains at the level of personal preferences or at the level of bringing in those having personal ties with influential government officials.

The attitude of dissident or activist groups toward the Kim Administration may be divided roughly into two types. One is represented by the school of thought in favor of vitalizing President Kim's reform drive by actively supporting it. People belonging to this school argue that President Kim is pushing reform more vigorously than expected, but the force of reform is a minority in the ruling camp, and therefore they should actively participate in the reform drive in order to thwart the

reaction of the entrenched interest groups who are in the majority. Those advocates of a single opposition presidential candidate in the 1987 presidential election and the right wing of the People's Democratic Revolution (PD) advocates form the mainstream of this school.

The other is the attitude of those who think that as much as President Kim's reform drive has a clear limit, it is futile to support it; or those who prefer to wait and see for the time being without making any decision yet. The left wing national liberation (NL) advocates and the critical supporters of Kim Tae-chung during the 1987 presidential election form the mainstay of this school.

The Kim Administration feels an acute shortage of able personnel in pushing the reform drive. Kim Tok-yong, first minister of state; Kim Chong-nam, Chongwadae senior secretary for educational and cultural affairs, are the two key officials who are playing the leading role in enlisting dissident figures. Reportedly, these two officials are on an active move to induce those with whom they had personnel ties when they were in the opposition party or in the dissident camp.

A majority of former dissidents or activists who are now joining the government are roughly divided into two groups, namely, those belonging to the Masses Party [MP] and those belonging to the Citizens Federation for Realization of Economic Justice (Kyongsilyon).

Kim Yong-chun, former deputy director of the MP secretariat, is currently working as a secretary (Grade 2) in charge of dissident affairs under Presidential Senior Secretary Kim Chong-nam. Kim Yong-chun, who entered Yonsei University in 1967, was imprisoned for his involvement in the case of the Federation of Democratic Youths and Students [minchong hangnyon]. He was also active in the labor movement in Inchon. Working under him is Chong Kwan-yong, former chairman of the labor union in the Research Institute for Modern Society, who used to write political critiques critical of the government. His rank is Grade 5. (He entered Seoul University Department of Social Sciences in 1981)

In addition, Yi Chae-yon, former MP general secretary, is certain to join. Yi, a native of Yongyang, North Kyongsang Province, was once a policy researcher at the National Unification Board. While keeping his nominal position as board member of the Resources Recycling Corporation under the Environment Administration, he is expected to be given a special assignment related to national reunification. He was once sought by police as a suspect in connection with the spy case involving Kim Nak-chung. During the last presidential election, he secretly campaigned for candidate Kim Yong-sam. It is speculated that if National Assembly Speaker Pak Chun-kyu gives up his National Assembly seat, Yi may have a chance to get nominated as a candidate.

Dissident lawyer Pak Yong-il, former chairman of the MP Human Rights Committee and chairman of the MP Songpa District chapter, is considering joining the new administration. Reportedly, he is expected to run in the Myongju-Yangyang by-election in case he joins the government. He intimated his intention to join the government when he said: "It is a fact that President Kim is pursuing such a thoroughgoing reform policy that it is completely wiping out the criticisms he drew over the three-party merger."

Kim Mun-su, a labor activist, was the former chairman of the MP Labor Committee and the former chairman of the MP Kuro District chapter, and currently the director of the Labor and Human Rights Club. He maintained a neutral position during the last presidential election, but now has been showing a stance supportive to President Kim since the latter's inauguration. During the last presidential election, he was mistaken for his namesake in Tongguk University who took part in the Sinhanryon. Said Kim Mun-su, "among all potential presidents, no one will pursue a more realistic reform policy than the one that is being carried out by President Kim Yong-sam." He added, "I have not been invited to participate, but if I receive an offer, I will give full consideration to it from the point of supporting his reform policy."

From Kyongsilyon, civil lawyer Chong Song-chol, the first chairman of its executive council, is backing up the government's reform policy while working as an assistant to First Minister of State Kim Tok-yong. His rank is equivalent to that of a deputy minister. In addition, Rev. In Myong-chin (Galilee Mission Church), chairman of the Kyongsilyon Permanent Executive Committee, is simultaneously on the Committee for the Prevention of Official Irregularities and Corruption under the Board of Audit and Inspection, and the Administrative Reform Committee under the Office of the Prime Minister. Professor of Social Education Yi Kak-pom of Seoul University, who is a Kyongsilyon Standing Executive Committee member and the director general of the Kyongsilyon Campaign Headquarters for Combatting Irregularities and Corruption, is on the government's Committee for Prevention of Official Irregularities and Corruption. In addition, Social Education Professor Son Pong-ho of Seoul University, who is the chairman of the Kyongsilyon Central Committee, is also on the same anticorruption committee of the government. Minister of National Unification Han Wan-sang and Minister of Environment Administration Hwang San-song were an adviser and an auditor of Kyongsilyon, respectively.

Explaining the reasons for the mass participation by Kyongsilyon in the government, First Minister of State Kim Tok-yong said: "It is because Kongsilyon has conducted a rational, scientific, and neutral movement, and its goals have something in common with the Kim Administration's reform policy."

Political Science Professor Son Hak-kyu of Sogang University, member of the National Association of Professors for Democracy (Mingyohyop), has put himself as a candidate for the National Assembly by-election in Kwangmyong District on the DLP [Democratic Liberal Party] ticket. Yi Sin-pom—who has a brilliant background associated with the Kim Tae-chung case in which the latter was charged with conspiring to incite a rebellion—moved from one political party to another,

including the former RDP [Reunification Democratic Party] and the NPP [National Political Party]. Reportedly, the government is trying to enlist him as a research member of the Korea Labor Research Institute under the Ministry of Labor. Obviously, the move among some former members of dissident and antigovernment activist groups to participate in the Kim Yong-sam Administration will affect the map of political power not only of the ruling party but also of the activist camp.

Brunei, Malaysia & Singapore

Malaysia

Cooperative Solution to Spratlys Issue Viewed

BK2705134193 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 May 93

[Station commentary]

[Text] Malaysia welcomes China's latest overture that disputed Spratlys Islands will not be a flashpoint in the South China Sea. Its call to discuss further joint economic exploration in the areas is a clear case of diplomatic pragmatism. The Spratlys are a potentially oil-rich chain of reefs in the South China Sea. Besides China, Vietnam, Taiwan, the Philippines, and Malaysia are also claiming ownership of the islands.

There is no [word indistinct] in the idea of turning a potential conflict into a cooperative venture with the [words indistinct] tension over the disputed areas. It will also be the only way to avoid armed conflicts [words indistinct] in the involvement of outside powers. But China's latest promises should be matched by concrete action. For example, its military build-up in the mainland is a cause for concern for other countries. China also deployed submarines to the islands. In May last year, it awarded an oil exploration contract in the disputed waters to an American firm. Despite the rhetoric for a peaceful settlement, these actions speak otherwise. If all this build-up is to make its defense requirements, well and good. Otherwise it will only serve to increase tension. Then again China and Vietnam, despite normalizing relations after two years, have not even agreed on what direction the negotiations on territorial disputes should take. These two countries clashed over the islands in 1988.

As such it is better for all claimants to adopt confidence-building measures to reduce this contention. Efforts should be geared towards the negotiation of a multilateral agreement. This agreement should cover the common expectations of sharing of the Spratlys oil and gas reserves. This is definitely a better option than negotiating on the question of sovereignty.

It has been announced that the development of these resources cannot be done alone without creating unhappiness among others. This is why the claimants should develop the islands together for the sake of peace and development in the Asia-Pacific region. Such a move will augur well for greater economic integration. Potential areas of cooperation include marine oil and gas exploration and resource management, marine research, and environmental research programs. It can also include navigational safety programs along the neighbors' sea lanes amidst the Spratlys. Truly, the emphasis is to find ways to cooperate without broaching the political subject of ownership. Previously, ideological conflicts acted as barriers to political and economic cooperation. But now

the prevailing climate of reconciliation and goodwill in Southeast Asia should provide the ideal platform for an amicable solution to this prolonged standoff.

Irish Prime Minister Continues Kuala Lumpur Visit

Agrees on Joint Commission

BK2705134793 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 27 May 93

[Text] Malaysia and Ireland are to establish a joint commission to facilitate bilateral relations. Senior officials will immediately work out the details of the commission. These decisions were reached at talks between the visiting Irish prime minister, Mr. Albert Reynolds, and Datuk Sri Dr. Mahathir Mohamed in Kuala Lumpur this evening.

The Minister of Foreign Affairs, Datuk Abdullah Haji Ahmad Badawi, told newsmen that Malaysian investors are encouraged to establish factories in Ireland. This is to enable their products to gain access to the European Community market. In return, Irish investors could embark on joint ventures and relocate their industries in Malaysia to take advantage of the relatively cheaper labor costs. Datuk Abdullah was briefing newsmen on the talks.

On education, he said both leaders agreed that the respective education sectors must look into the possibility of initiating twinning programs between institutions of higher learning. Currently, education links between Ireland and Malaysia are concentrated in the medical field.

Datuk Sri Dr. Mahathir also took the opportunity to explain Malaysia's concern regarding the inability of Europe to solve the problem in Bosnia. Mr. Reynolds said he would present the prime minister's views at the European Community summit soon. Mr. Reynolds arrived in Kuala Lumpur this morning for a four-day official visit.

Discusses Bosnia With Mahathir

BK2805061093 Kuala Lumpur BERNAMA in English 0349 GMT 28 May 93

[Text] Kuala Lumpur, May 28 (OANA—BERNAMA)—Malaysia Thursday, expressed regrets over Europe's failure to effectively settle the problems in Bosnia.

Foreign Minister Abdullah Ahmad Badawi said Dr. Mahathir Mohamed conveyed this during discussions with his Irish counterpart Albert Reynolds at the Prime Minister's office here.

The prime minister felt that European countries, which had all along been stressing on human rights, should have taken the necessary steps to end the conflict in Bosnia.

The incapability of the European countries to do something is much regretted, Abdullah told reporters after the meeting.

He said Dr. Mahathir told Reynolds that Malaysia's stand on the conflict was not merely because it involved Bosnian Muslims but more so because the country had been equally firm in denouncing other forms of suppression.

Citing an example, Abdullah said Malaysia had maintained a similar stand on the Cambodian conflict and the apartheid in South Africa.

We have been firmly against any form of brutality and not merely that inflicted upon Muslims, he said.

Abdullah said Dr. Mahathir also expressed his view on the need for a military option as one way to resolve the problems in Bosnia.

Abdullah said Reynolds gave an undertaking to convey Malaysia's feelings to his European counterparts at the coming European Community summit meeting.

Reynolds is here on a four-day official visit beginning Thursday.

Views 'Open Regionalism' in Trade

BK2805115993 Kuala Lumpur Voice of Malaysia in English 0600 GMT 28 May 93

[Text] Datuk Sri Dr. Mahathir Mohamed says Malaysia and Ireland should work together to ensure that the global trading market remains open to all small countries. As such, the prime minister said, the importance of cooperation between the two countries must be seen against the backdrop of the huge markets with which they are respectively connected.

He made the remarks at a dinner hosted in honor of his Irish counterpart, Mr. Albert Reynolds, in Kuala Lumpur. Mr. Reynolds is on a four-day visit to Malaysia. Touching on trade regionalism, Datuk Sri Dr. Mahathir said there is nothing intrinsically wrong with this trend so long as open regionalism is practised. This is because open regionalism can contribute toward the goal of an open global trading system.

Mr. Reynolds, in his speech, said he believed Ireland and Malaysia could complement each other in a number of spheres to enhance the competitiveness of each country in the global economy. Ireland has identified a number of areas, such as aviation, power generation, agriculture, construction, health and education, and training services as possible arenas where both countries could share knowledge and expertise.

Calls Visit 'Very Successful'

BK2805135193 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 28 May 93

[Text] Speaking to newsmen during a news conference in Kuala Lumpur today, Ireland's Prime Minister, Albert Reynolds, said Ireland and Malaysia have a common stand on the issue of Bosnia-Herzegovina. He stressed that Ireland was disappointed with the attitude of several developed countries for not making a concerted effort to solve the problem in Bosnia.

Mr. Reynolds has considered his visit to Malaysia very successful—particularly in joint venture sectors between the two governments and private companies. He said besides the abundant investment opportunities that exist in Ireland, his country could also become a gateway for investments to other European countries. He ensured foreign investors of their safety and of the country's easy tax structure.

King Receives Credentials From Senegal Envoy

BK2805084193 Kuala Lumpur BERNAMA in English 0716 GMT 28 May 93

[Text] Kuala Lumpur, May 28 (OANA/BERNAMA)—Malaysia is looking forward to the establishment of Senegal's resident diplomatic mission here in the near future to further enhance bilateral relations between the two countries.

The Malaysian king Sultan Azlan Shah said the relationship between Malaysia and Senegal had expanded rapidly at the bilateral as well as multilateral level in international fora such as the G-15, Organisation of Islamic Conference (OIC) and the United Nations.

Welcoming the Senegal ambassador accredited to Malaysia Papa Abdou Cisse who presented his credentials at the national palace here Friday, he expressed the hope that the excellent ties between both countries would be further strengthened for the mutual benefit of the two countries and their people.

Sultan Azlan said Malaysia was impressed by the success achieved by Senegal both in national development and on the international scene.

He also said Malaysia would continue to extend technical assistance to Senegal in the spirit and ideals of South-South cooperation.

Singapore

Goh, French Minister Discusses Economic Ties

BK2805102293 Singapore THE STRAITS TIMES in English 28 May 93 p 44

[Text] France's minister for industry, postal services, telecommunications, and foreign trade, Mr. Gerard Longuet, called on Prime Minister Goh Chok Tong yesterday.

Mr. Longuet discussed with Mr. Goh international economic problems such as the General Agreement on Tariffs and Trade (GATT) and economic and commercial cooperation between France and Singapore.

The French minister will also be meeting the senior minister, Mr. Lee Kuan Yew, Trade and Industry Minister S. Dhanabalan, and Communications Minister Mah Bow Tan.

Mr. Longuet is here on a three-day visit in conjunction with the French Festival that is currently being held here.

He is the first member of the new French Cabinet headed by Prime Minister Edouard Balladur to visit Singapore.

Cambodia

Sihanouk Opposes Including KR in Government

BK2805082193 Phnom Penh SPK in French 0403 GMT
28 May 93

[Text] Phnom Penh 28 May (SPK)—Prince Norodom Sihanouk, chairman of the Supreme National Council (SNC), on 26 May in Phnom Penh presented a report to his subjects saying that he has abandoned his proposal on the inclusion of the Khmer Rouge [KR] in a new Cambodian government.

1. On the morning of 26 May, said the prince, I had very important talks with three delegations, namely the delegation of the European Community, the delegation of the French Senate, and the delegation of French National Assembly, and I told them the following:

2. In light of the wishes expressed by UN Secretary General His Excellency [H.E.] Butrus Butrus-Ghali; H.E. Francois Mitterrand, president of the French Republic; and the overwhelming majority of my compatriots, I will continue to actively serve Cambodia even after August-September 1993.

As there is a virtual consensus on my becoming the head of state of the "new" Cambodia ensuing from the May 1993 general elections, I accept in advance every decision to be made by the National Assembly, elected through the aforementioned polls, concerning the ballot system of the presidential elections and the power to be given or not given to the head of state. I accept the presidential elections with universal suffrage or by the National Assembly. I accept a presidential system of the U.S. type or of the French type of the Fifth Republic. However, I accept any other "formula" desired and chosen by the Constituent Assembly and National Assembly elected through the May 1993 balloting, namely a constitutional monarchy in which "the king reigns but does not govern," or a republic of the type of the Fourth or Fifth French Republic where the president, who assumes no power, specializes in "inaugurating flower exhibitions."

I will accept whatever position, provided that our people and the international community are convinced that I am not abandoning Cambodia and the Cambodian people who, in the new stage, still need me.

3. If it is impossible to gain a two-thirds majority vote by the deputies in the Constituent Assembly for the adoption and promulgation of Cambodia's new constitution, I propose that UNTAC [UN Transitional Authority in Cambodia], in conjunction with me (the SNC chairman), approach the Constituent Assembly so that it can replace the two-thirds majority formula with a simple majority vote by the deputies for the adoption and promulgation of the new constitution.

By so doing, Cambodia will avoid a blocked constitutional process and a constitutional crisis.

4. I definitively renounce my proposal on the formation of a quadripartite government of national reconciliation with the participation of the Party of Democratic Kampuchea (Khmer Rouge). I entrust the sole government and National Assembly, elected through the May 1993 general elections, with the care of deciding whether or not to include the KR in a future Cambodian government. I will no longer intervene in the issue of the Cambodian government lineup, stressed the prince.

SNC Plans To Meet in Early Jun on Government

OW2805072293 Tokyo KYODO in English 0650 GMT
28 May 93

[By Masanori Kikuta]

[Text] Phnom Penh, May 28 KYODO—Slightly more than 4.2 million Cambodians or 88.3 percent of registered voters have cast their ballots with one day left in the six-day national election ending Friday, the United Nations said.

The chief of the U.N. peacekeeping mission will formally determine how free and fair the U.N.-organized poll has been at a meeting Saturday of the Supreme National Council (SNC), a national reconciliation body, a U.N. spokesman said. Yasushi Akashi, head of the U.N. Transitional Authority in Cambodia (UNTAC), has already called the election free and fair to the minimum acceptable extent despite some political intimidation and violence.

The SNC will also meet around June 4 or 5 to discuss a post-election process, including the inauguration of a 120-seat Constituent Assembly which will form a new government, diplomatic sources told KYODO News Service.

First election results are expected from some small eastern provinces with only one seat allocated each soon after vote counting starts Saturday morning, UNTAC spokesman Eric Falt said.

A few shelling incidents were reported overnight in three provinces and three rockets hit one of the offices of the

biggest opposition FUNCINPEC [National United Front for a Peaceful, Independent, Neutral and Cooperative Cambodia] party in the western province of Battambang, injuring one member, he said. In the same province, about 500 unarmed members of the radical communist Khmer Rouge staged a peaceful demonstration, protesting UNTAC and the electoral process, Falt said. The rebel group had threatened to disrupt the election, which it claimed would only serve to legitimize the Phnom Penh government it opposes.

Meanwhile, preparations for vote counting started Friday on the closing day of the election as UNTAC mobile polling teams continued trekking through remote areas close to Khmer Rouge-controlled zones to collect a few hundred thousand votes yet to be cast. At a heavily guarded warehouse in suburban Phnom Penh, election officials began checking ballots cast by voters whose qualifications were not immediately verified, including those who voted at polling stations outside provinces where they have registered.

Thousands of people fearing safety in their own provinces crossed over to polling sites in nearby provinces, especially those in northwestern areas infiltrated by the Khmer Rouge, U.N. officials said. These "tendered" or reserved ballots totaled some 350,000 or 8 percent of the votes cast so far. They were placed in special ballot boxes after first being put into plain envelopes and then into second envelopes on which voters' details were recorded.

The winner in the 20-party election is expected to be known in a few days. In the vanguard are the ruling Cambodian People's Party of Phnom Penh Prime Minister Hun Sen and the royalist FUNCINPEC party led by the son of head of state Prince Norodom Sihanouk.

UN Officials Report KR Base Partially Moved

*BK2805111493 Hong Kong AFP in English 1039 GMT
28 May 93*

[by Sheri Prasso]

[Text] Thmar Puok, Cambodia, May 28 (AFP)—U.N. officials in this northwestern resistance zone believe the Khmer Rouge are shifting part of their headquarters from the western Pailin area to their logistics and resupply camp that lies directly on the Thai border near here.

The U.N. officials interviewed here Thursday said even the faction's second-in-command, Ieng Sari, had been spotted in Phum Chat. The area lies next to a reservoir along the border, 27 kilometers (17 miles) west of this centerpoint of the resistance movement in Cambodia's 13-year civil war.

"We believe they shifted part of their headquarters from Pailin to Phum Chat," said Dutch marine Major Oscar Smith.

The shift coincided with a hardening of the Khmer Rouge position towards the U.N. Transitional Authority in Cambodia (UNTAC) and the withdrawal from their compound in Phnom Penh, the officials said.

"At the end of March, all of our former contacts disappeared in this area and we suddenly saw some generals that were supposed to be in Pailin and Phnom Penh," Smith said. "They ended any formal relations with us."

The Dutch marines had even been delivering organic garbage to the pigs of the Khmer Rouge commander in Thmar Puok, General Prum Sou, but stopped in March, he said.

At the same time, the estimated 400 National Army of Democratic Kampchea (NADK), or Khmer Rouge, troops from Division 509 donned brand new uniforms, AK-47s and rocket-propelled grenades and stepped up their hostility towards UNTAC, Smith said. "These were probably brought in already months or even years ago when China was supplying the NADK," he said.

UNTAC officials believe the guerrillas intend to cut off Route 69, recently reopened with U.S. development aid, and form their own enclave or "homeland" in northwestern Cambodia. "That's one of the things we've always believed here, that a 'liberated zone' is one of their targets in the post-election period," Smith said.

U.S. Army Captain Jeff Jaso, who has lived in this zone for one year, once stumbled on Phum Chat while transporting a Khmer Rouge mine victim to a hospital across the border and found himself in a tense confrontation with what he called "senior Thai generals." He said he was not sure if he was still on the Cambodian side of the border or the Thai side, because there is no border checkpoint on the road leading west from Thmar Puok.

"It's like a regular village," he said, describing a town sitting apart from the military logistics base behind a man-made reservoir at Phum Chat. "Everyone is in uniform."

The Khmer Rouge have also begun using this area around Thmar Puok as a "mailbox" to give messages to UNTAC, asking that they be forwarded to U.N. headquarters in Phnom Penh. A recent request asked UNTAC to postpone the election in order to create a neutral political environment, Smith said.

After the Khmer Rouge left Phnom Penh in March and broke off their formal contact with UNTAC, they had used the southwestern enclave of Sok Sann to deliver messages, he said.

Bangladeshi Peacekeeper Wounded in KR Attack

*BK2705045293 Hong Kong AFP in English 0428 GMT
27 May 93*

[Text] Siem Riep, Cambodia, May 27 (AFP)—A Bangladeshi peacekeeper was wounded during a Khmer Rouge [KR] attack on a mobile polling station Thursday

in northwest Cambodia, U.N. military observers here said. The Bangladeshi major was the first known U.N. casualty since voting began Sunday [23 May].

Khmer Rouge guerrillas attacked the station in Sot Nikun district some 40 kilometers (25 miles) southeast of the provincial seat Siem Riep around 10:15 A.M. with B-40 rocket-propelled grenades and AK-47 assault rifles, the observers said. The officer from the Bangladeshi battalion, which was providing security for the polling station, was wounded about 15 minutes later.

"We're under attack. We've got one man hit in the thigh. Please send medivac," radioed an Irish U.N. military observer from the scene, a village called Kompong Khlang. "I've got to go, I'm out in the open."

Phnom Penh government troops moved in with two armored personnel carriers and were returning fire as the wounded officer waited for the medical evacuation helicopter to arrive, the observers said.

Voter Turnout Reaches 'At Least 87 Percent'

*BK2705141493 Hong Kong AFP in English 1251 GMT
27 May 93*

[By Kevin Barrington]

[Excerpts] Siem Reap, May 27 (AFP)—The Khmer Rouge on Thursday mounted their fiercest attack since the start of Cambodia's UN-organized elections, wounding a Bangladeshi peacekeeper and three Cambodians in the northwestern province of Siem Reap, UN officials here said. The attack on a mobile polling station dealt UN forces their first casualty in five days of voting but came too late to disrupt the elections, with UN officials in Phnom Penh reporting that 86 percent of Cambodia's 4.7 million registered voters had cast their ballots by the end of day four.

Cambodia's Prince Norodom Sihanouk "expressed satisfaction at the spectacular turnout and reiterated his full support for the election process" during a meeting in the capital with United Nations Transitional Authority in Cambodia (UNTAC) head Yasushi Akashi, UNTAC spokesman Eric Falt said.

With voting at fixed sites completed in all provinces but one, UN electoral organizers are concentrating on bringing mobile polling stations to remote areas, including some with a known Khmer Rouge presence. They were preparing to open a station in Sot Nikun district, 45 kilometers (30 miles) southeast of Siem Reap, when Khmer Rouge guerrillas attacked with B-40 rocket-propelled grenades and AK-47 assault rifles, UN military observers and electoral officials here said.

"It was certainly NADK [National Army of Democratic Kampuchea]. These people just wanted to destroy and kill in the polling station," said provincial electoral chief

Dermot Whelan, using the acronym for the Khmer Rouge guerrilla army, which has vowed to disrupt the vote. [passage omitted]

Falt said later in Phnom Penh that voter turnout reached at least 87 percent by the close of polls Thursday, with a "fairly large" turnout reported only in Kompong Cham, where voting was organized in two stages.

"Hundreds" of Khmer Rouge guerrillas or their family members are reported to have voted in the election in the western province of Banteay Meanchey, Falt added.

"We're talking about... 1,000, 2,000 at best," he said. "It is not a widespread phenomenon."

'500' Khmer Rouge Demonstrate Against Election

*BK2805070093 Hong Kong AFP in English 0636 GMT
28 May 93*

[Text] Phnom Penh, May 28 (AFP)—Some 500 unarmed Khmer Rouge protested Friday against the United Nations and Cambodia's U.N.-organized election in southwestern Sok Sann near the border with Thailand, a U.N. spokesman said. The demonstration highlighted apparent differences in policy in the Khmer Rouge command's approach to the election, which the radical guerrilla group is officially boycotting.

A group under a different Khmer Rouge general in northwestern Thmar Puok has actively cooperated to get villagers in areas it controls to the U.N. polling sites.

But men commanded by the notorious one-legged general Ta Mok in Siem Reap province launched Thursday the most significant attack of the week-long election against a mobile polling station.

In Sok Sann, the 500 Khmer Rouge demonstrators were told by U.N. peacekeepers there to leave, and they did so peacefully after a half hour, U.N. spokesman Eric Falt said. "They protested against UNTAC and the electoral process," he said without giving details.

The Khmer Rouge had staged two similar protests in Thmar Puok before abandoning their opposition and allowing their people to go to the polls, U.N. officials there said.

The first demonstration there of 75 armed Khmer Rouge was May 17, when the U.S. and Australian envoys flew up to meet the Khmer Rouge commander and ask him not to disrupt the voting, the U.N. officials said.

The second came on May 21 just before voting began two days later. In that case, 400 to 500 Khmer Rouge civilians turned out to wave banners in protest at the election and ask that it be postponed, they said.

Other reports during the polling have spoken of Khmer Rouge cadres themselves voting in Poipet, near the Thai border.

KR Families 'Likely' Voting for FUNCINPEC*BK2805042093 Hong Kong AFP in English 0340 GMT
28 May 93*

[By Sheri Prasso]

[Text] Thmar Puok, Cambodia, May 28 (AFP)—The Khmer Rouge in this northwest resistance zone near Thailand not only reversed their plan to disrupt the U.N. election, they supported it by allowing truckloads of their people to vote, U.N. and Cambodian officials here said.

The likely beneficiary of the drastic shift in policy—which became apparent on Monday when Khmer Rouge generals sought a meeting with the United Nations here to tell them about it—is FUNCINPEC [National United Front for an Independent, Peaceful, Unified and Cooperative Cambodia], the officials said.

Despite Khmer Rouge attacks on polling sites in other parts of Cambodia, U.N. military and civilian officials interviewed on a day trip here Thursday said there is no doubt that the order to leave the polls alone came from the highest level of Khmer Rouge leadership.

"The DK changed their policy," said Ngeth Sophan, the Harvard-educated Cambodian point-man for foreign aid to the former tripartite resistance that included the Khmer Rouge—the National Army of Democratic Kampuchea, or DK for short—in its 13-year civil war against the Phnom Penh government.

"Now they say they would support (Prince Norodom) Sihanouk and would support FUNCINPEC," he said. "From the first day of the election until now, they have brought a lot of villagers to the polls."

In Phnom Penh, U.N. spokesman Eric Falt said the phenomenon was not widespread and was limited to "hundreds" of Khmer Rouge and their families in this area.

Polling began Sunday and was to end Friday in the U.N. election to restore a legitimate government to this country torn by decades of conflict.

Up until the night before the election, the Khmer Rouge here had staged a number of violent attacks, posted warnings on trees to deter civilians, threatened U.N. peacekeepers and even organized a demonstration to show their intent to halt the six days of polling.

"We were preparing Sunday morning for an all-out butt-kicking session, but it never came" said U.S. Army Captain Jeff Jaso, a U.N. military observer who became an election monitor. "By 10 A.M. we were just giggling to each other. We couldn't believe it."

Jaso was even prompted to write good-bye letters to his family Saturday night after armed Khmer Rouge soldiers drove around his neighborhood with a loudspeaker and said everyone who tried to vote would be "committing suicide." But by Monday morning, the commanding officer of Khmer Rouge Division 509, General Del

Sarin, went personally to the polling site here and met with U.N. officials manning it.

"He showed up very early in the morning," said Dutch Marine Company Commander Major Oscar Smith. "He said the DK didn't have the intention to disrupt the election any more. It was surprising because we didn't expect him to visit the polling stations."

Smith said the Khmer Rouge had tried everything they could to get the elections postponed, and realized that without superior firepower to stop it, they would have to fight their cousins and brothers-in-law in the other resistance factions.

A breakaway general for the Khmer People's National Liberation Front (KPNLF) and the royalist FUNCINPEC army here together have 3,000 men compared to 400 for the Khmer Rouge, Smith said.

"It's my assessment they made some sort of agreement in this area," he said. "I don't think they (Khmer Rouge) are doing something on their own. It's all a strategy, led by the higher echelons."

At the temple ruins of Banteay Chhmar near here, a number of Khmer Rouge turned up in uniform this week to vote, U.N. civilian police said. "They walked up, took part of their uniforms off, laid down their weapons, went in and voted in their T-shirts, came back out and put their uniforms on again," said U.N. civilian policeman Peter Baldwin from Australia.

The U.N. spokesman in Phnom Penh also reported 192 uniformed Khmer Rouge voting at the market town of Poipet on the Thai border Monday.

Thmar Puok district had reached 97 percent turnout of the 40,000 registered voters by Thursday and was nearing 100 percent due to an influx of refugees from Thai border camps.

In clear violation of the electoral law forbidding weapons around the polling site, the main station here was within 100 meters (yards) of a T-54 Russian tank with its gunbarrel pointed at the voters. The tank took three days to jump-start with a tow truck and moved into place as voting began, U.N. military officials said.

Dozens of grim-faced women from a Khmer Rouge-controlled village jumped off the back of a pickup truck, walked quickly into the polling station to do their business and made a bee-line for the truck without stopping to chatter about the foreigners watching them as other Cambodians would do.

It was clear they were not voting for the government's Cambodian People's Party (CPP), which never opened an office in this district. The CPP "doesn't have any interest in this area," Smith said. "They have enough trouble in their own area."

Merit of UNTAC-Organized Elections Questioned

BK2805041993 (Clandestine) Voice of the Great
National Union Front of Cambodia in English 0100
GMT 28 May 93

[Station commentary: "What is the reality of Akashi's claim of great success of UNTAC's elections with 90 percent of the people casting their ballots? Can UNTAC's elections bring peace and independence and national reconciliation to Cambodia? Are not UNTAC's elections furthering the Vietnamese war of aggression in Cambodia?"]

[Text] During the past few days of the elections of UNTAC [UN Transitional Authority in Cambodia], the entrance in and out of UNTAC has been trying hard to carry out their propaganda campaign about (?the success of the elections). Akashi, the head of UNTAC, has [word indistinct] claimed that 90 percent of the people have voted and that elections are a great success.

However, (?international observers) are of the view that on the first day, there were quite a number of people voting in the Phnom Penh and in other big cities. On the second day, the voters were less than on the first day. On the third day, the number of voters was less than that on the second day. Altogether, there were no more than 40 percent of the people who have voted during the first three days, according to (?international observers). The Cambodian people, either in Phnom Penh or in the countryside, said that there were approximately one million people who had voted, roughly 25 percent of the total of more than four million voters registered by UNTAC. Therefore, Akashi's claim and UNTAC's (?exaggerated figure) are three times more than the reality.

According to international (?practices), if the voters are less than (?50) percent of the population, the elections are not valid. As for the UNTAC elections in Cambodia, the international observers said there were less than (?40) of the population [as heard], and the Cambodian people in Phnom Penh or in the countryside said there were (?less than) 25 percent.

Why was Akashi in a hurry [words indistinct]. (?This is) an attempt to conceal the (?ugly faces and stinking names) of himself and of UNTAC who have violated and destroyed the Paris agreement of 23 October 1991 and who have stubbornly organized the elections to kill the Cambodian nation and people. The most important question is whether (?the farce) elections organized by UNTAC can bring peace, independence, and national reconciliation to Cambodia as spelled out in the objective of the Paris agreement. The answer is: absolutely not. The objective of the Paris agreement clearly specifies that foreign forces must be withdrawn from Cambodia and not allowed to return to the country and that Cambodia must be a peaceful, independent, and neutral country where the Cambodian people enjoy their rights to self-determination.

The Cambodian nation and people are of the view that only the elections organized in a neutral political environment in accordance with the provisions of the Paris agreement can peace, independence, and national reconciliation be restored to Cambodia. Akashi's elections are not held in accordance with the provisions of the Paris agreement. UNTAC has actually failed to implement the following main provisions of the Paris agreement:

1. UNTAC has not allowed the SNC [Supreme National Council] to play its role as the unique legitimate body and source of authority in Cambodia during the transitional period.
2. UNTAC has not implemented its mandate on the control and verification of the Vietnamese forces. UNTAC has even promulgated its electoral allowing [as heard] the Vietnamese aggressors to vote. UNTAC has [word indistinct] permitted the continued flow of Vietnamese nationals into Cambodia every day and the number has now reached nearly three million.
3. UNTAC has not exercised its direct control of the five major administrative fields.
4. UNTAC has failed to create a neutral political environment which is necessary to organize the elections. On the contrary, the climate of insecurity prevails [words indistinct] of act of political terrorism committed by the Vietnamese and their puppets before and during the UNTAC elections.

The Cambodian nation and people (?are of the opinion) that Akashi's elections will not bring peace to Cambodia. On the contrary, they only (?add fuel to) the Vietnamese war of aggression in Cambodia as the fundamental problems remain unresolved as was the case in 1979. The Cambodian people and the international observers of the world are of the view that the solution that will restore peace, (?reunification), and national reconciliation should be in conformity with the aspirations of the Cambodian people as well as the wishes of the people in Southeast Asia and in the world at large. Those aspirations and wishes are all [words indistinct] in the provisions of the Paris agreement. They are [words indistinct] mentioned in the plan of national reconciliation of Your Highness Samdech Norodom Sihanouk, the head of state and president of the SNC.

The Cambodian nation and people do not want UNTAC's elections organized to kill the Cambodian nation and people. They want to implement the plan of national reconciliation of Your Highness Samdech Norodom Sihanouk, that is:

1. The formation of a four-party provisional government of national reconciliation with the samdech [Prince Sihanouk] as the head of state and prime minister;
2. The representatives of the four Cambodian parties participating in the provisional government as deputy prime minister; and

3. The setting up of the unified national Army, under the command of samdech, that (?includes the armies of the four Cambodian parties).

Samdech's plan is the only way to restore peace, independence, neutrality, and unity of Cambodia, and national reconciliation. Samdech's plan is (?in accord with) the objective of the Paris agreement and responds to the aspirations of the Cambodian people and the wishes of the people in Asia, Southeast Asia, and in the world at large.

Laos

Foreign Investment Reported 'Dynamic' for 1988-92

BK2705135993 Vientiane PASASON in Lao 11 May 93 p 2

[Article by S. Phanthavong: "Foreign Investment Is Dynamic"]

[Text] As I wrote earlier, the total investment in Laos in the first three months of 1993 has amounted to more than \$52 million. Of this, 91.5 percent, or \$48 million, are from foreign investment.

As for investments made from 1988 to late 1992, we have acquired additional statistics from the Foreign Investment Management Committee as follows:

From 1988 to 1992, the Lao Government granted permission for investment in 269 projects, worth \$483.93 million. Ten of these projects, however, were subsequently scrapped. As a result, the total amount of money invested in the remaining projects was reduced to \$462.84 million—\$66 million from domestic sources and \$396 million from foreign investors. This investment can be classified into three categories as follows: 16 contractual projects, 123 projects as joint venture enterprises, and 130 projects with unilateral investment. In addition, investment was also classified into sizes in accordance with the amount of money invested as follows: 59 projects with investment of less than \$100,000; 109 projects between \$100,000 and \$499,000; and 101 projects between \$499,000 and \$1 million. Investment was made in the following 14 businesses: agriculture, garments and textiles, industries, oil and mining exploration, import-export trading, hotels and tourism, banking and insurance, consulting, construction, transportation, repair and maintenance, telecommunications, restaurants, the vocational field, and other services.

With regard to the aforementioned fields of businesses, 54 projects are in various kinds of industries, 48 projects are with import-export ventures, and 45 are with garment and textile enterprises. Most investment has been concentrated in the hotel and tourism businesses, amounting to \$105 million. Next is oil and mining exploration, which has amounted to more than \$70 million. Some \$64 million has been invested in industrial enterprises.

More than 20 countries have invested in Laos in the past five years. Thailand is leading the list as the country investing the most; it has put some \$139 million here. The United States is next with more than \$76.6 million, followed by Taiwan with a total investment of \$40.7 million, and France with \$35.8 million.

Philippines

Ramos Not To Visit United States in 1993

HK2705131693 Quezon City ABC-DWET Television in Tagalog 1000 GMT 27 May 93

[From the "ABC-DWET News Program"]

[Text] Foreign Affairs Under Secretary Rodolfo Severino clarified today that President Fidel V. Ramos will not go on a state visit to the United States this year. He said that this decision had nothing to do with newspaper reports that U.S. President Bill Clinton is too busy to meet with President Ramos.

Ministry Official Views Spratlys Issue, PRC Navy

HK2805034093 Manila MANILA STANDARD in English 28 May 93 p 2

[Report by Marichu A. Villanueva]

[Text] Even as confidence-building measures, such as the Spratlys Working Group Meeting on Marine Science Exchanges, get under way, countries in the region continue to voice concern about China's naval forces buildup.

With respect to the South China Sea, Foreign Affairs Undersecretary Rodolfo Severino said countries in the region "expressed the hope that force levels be maintained as they are, not increased."

During the recent regional security discussions in Singapore between senior officials of Association of Southeast Asian Nations and its dialogue partners (the United States, the European Community, Australia, Canada, Japan, South Korea and New Zealand), "some delegations" specifically "mentioned China's naval buildup as a matter of concern," he said.

The cooperative effort on exchanging scientific data, to be hosted by the Philippines from May 31 to June 3, would be a significant step in reducing tensions among Spratlys claimants, Mr Severino hoped. "The thinking is that concrete cooperative measures would prevent disputes from degenerating into conflict," he said.

Aside from differing territorial claims, the Philippines, China, Brunei, Malaysia, Taiwan and Vietnam have "different positions on how and when to go about resolving the issue of sovereignty," Mr Severino said. "Some want the issue shelved... well into the indefinite future and some, the Philippines for one, want the matter resolved earlier than that."

The meeting has not been limited to the aforementioned claimants. All ASEAN countries will be sending delegations while Canada, which is underwriting part of the costs of the exercise through the Canadian International Development Agency, will be sending "resource persons." Allowing non-claimants to be part of the solution of the Spratlys dispute would focus international attention on the issue and reduce the temptation for any one power acting unilaterally, diplomatic observers said.

Explaining the fact that the individual participants in the working group meeting are attending only in "their personal capacities,... and not as official representatives of their respective governments," the DFA [Department of Foreign Affairs] Undersecretary said, "we haven't gotten to the point where we can sit down as governments."

The Philippines itself, Mr Severino said, would have a "lot of work to do... on baselines, continental shelves and exclusive economic zones" preparatory to any official discussions.

However, the meeting is characterized, a perusal of the list of attendees shows overwhelming evidence of government participation in the composition of the various delegations to the meeting.

The meeting's substantive discussions have been divided into three parts: on the resources of the Spratlys; on the environment in which these resources occur; and on instituting mechanisms for further cooperation and joint research among the region's marine scientists and experts.

Significantly, the data to be shared on resources will not touch on the vast oil reserves believed to exist in the area, Mr Severino pointed out. "We're not talking about petroleum resources. That's a matter for another working group," he said.

Future working group meetings on joint cooperative efforts to combat piracy and pollution and to effect search and rescue and disaster-relief operations in the area would be undertaken in the future under the auspices of other claimants, Mr Severino indicated.

Ramos: Peace Talks With MNLF 'May' Be Held Abroad

HK2705131793 Quezon City ABC-DWET Television in Tagalog 1000 GMT 27 May 93

[From the "ABC-DWET News Program"]

[Text] Today, President Fidel V. Ramos said that the formal peace talks between the government and the Moro National Liberation Front [MNLF] may be held outside the Philippines. The president was reacting to Congressman Nuur Jaafar's statement that MNLF Chairman Nur Misuari will refuse to participate in the peace talks if they are held in Mindanao. The president earlier approved the National Unification Commission

[NUC] recommendation to hold the talks in any place of Misuari's choosing, as long as it is in Mindanao. Jaafar said that Misuari is worried that his safety will be compromised if the talks are held in Mindanao.

Meanwhile, NUC Chairperson Haydee Yorac said that the exploratory talks with the National Democratic Front [NDF] should be conducted slowly due to its leadership crisis. If the NDF crisis is not resolved, Yorac said, NUC will talk to all groups that have emerged from the dissension within NDF. Yorac said that Jose Maria Sison, the founder of the Communist Party of the Philippines, needs to resolve the conflict in his group.

[Begin Yorac recording in English] We had to slow down the process of continuing the exploratory talks, because we know that there is a very serious rift going on within the Communist Party of the Philippines and the National Democratic Front, and we want to make sure that, in the peace process, we don't exclude any significant group from the process. [end recording]

Official Rejects Noncitizen NDF Representative

HK2705090593 Manila MANILA STANDARD in English 27 May 93 p 6

[Report from the MEDIA MINDANAO NEWS SERVICE]

[Text] Tulunan, North Cotabato—The National Unification Commission (NUC) does not want to have Luis Jalandoni as the official representative of the National Democratic Front (NDF) when formal peace talks start since he is now a Dutch citizen. NUC chairperson Haydee Yorac said over the weekend that the government should not negotiate with the former Catholic priest because he has acquired another citizenship.

"Do you want to negotiate the future of our country with a foreigner as a negotiator (for the NDF)?" Yorac said here during a national consultation of representatives coming from the different peace zones in the country. "Kung ganun man lang, 'di isali na natin si (U.S. President Bill) Clinton [If that is the case, then why don't we ask (U.S. President Bill) Clinton to participate]?" But the NUC official did not indicate who the government intended to talk to in the communist rebel side when peace negotiations formally start.

Jalandoni, the NDF vice chairman for international affairs and official representative to the exploratory talks with the government in The Hague last November, has been in exile in the Netherlands shortly after the 1987 peace talks between the government and communist rebels failed. "I think our position is correct. We will never recommend negotiations with Jalandoni," Yorac said.

She added that there may also be a "technical" problem in talking with Jalandoni, claiming that a number of communist leaders had told her that Jalandoni's authority would end after the exploratory talks. She said

that some leaders insisted on having their own representatives once the technical committee for the formal talks is formed.

The NUC will soon decide whether to deal with only one or with several leftist organizations if the NDF, which is now rocked by open disagreements and faces a possible split, fails to "get their acts together." But Rafael Baylosis, a former communist leader who was released on bail, described Yorac's claim as "lacking in wisdom" and "counterproductive" to the ongoing peace process.

"Walang problema [No problem]. Nobody (from the underground leftist groups) will oppose if Jalandoni will represent the NDF in the formal peace talks," he said. While there is an ongoing debate within the NDF, he added, it has a united stand on the peace process. "It's not for the government to choose who will represent the NDF. Louie (Jalandoni) is still a Filipino at heart, Filipino in his struggles. Only circumstances forced him to seek asylum and become a Dutch citizen," he said. Baylosis also said Yorac's pronouncement was "out to pre-condition the minds of the people to blame the NDF in case the talks failed."

Meanwhile, the NUC is set to resume talks with the rebel Moro Islamic Liberation Front (MILF) led by Hashim Salamat, who is also in exile. Talks with the MILF, whose forces are mostly based in central Mindanao, were suspended last November after several MILF field commanders were accused of engaging in partisan activities in line with last February's elections in the Autonomous Region for Muslim Mindanao.

Yorac said the NUC had already sent a message to Salamat about the resumption of the talks. "We are hoping that in two weeks' time, we will have word from him." "Anyway, the election is over and the winning candidates have been proclaimed. So now I think we can talk with some kind of sense from each other," Yorac added.

Military: Abu-Sayyaf 'Terrorists' Training in Pakistan

HK2705084793 Manila MANILA STANDARD in English 27 May 93 p 6

[Text] The military yesterday said members of the Abu-Sayyaf underwent extensive training in military warfare in Pakistan at the height of the Soviet invasion of Afghanistan. Brig. Gen. [Brigadier General] Eugenio Reyes, chief of the AFP [Armed Forces of the Philippines] National Capital Region Defense Command [NCRDC] also confirmed that cadres of the terrorist group—most of them young Muslim missionaries—covertly returned to the Philippines with their firearms after the Soviets started pulling out from Afghanistan in 1990. Abu-Sayyaf is a Muslim fundamentalist group responsible allegedly for a series of kidnappings and terrorist acts in Mindanao.

Reyes, a former deputy chief of the AFP Southern Command, said pro-Libyan terrorist groups set up the rebel training camps in Pakistan, where Muslim rebels from various countries, including the Philippines, trained in terrorist tactics and modern warfare. He said the terrorist training camps in the Pakistani mountains near the Afghan border crossing known as the Khyber Pass were established in the early 1980s simultaneously with the formation of various Afghan freedom fighters or "mujahideen" rebel factions that fought the Soviets during their invasion of Afghanistan in 1979.

The rebel training camps were used as fronts by terrorist groups that were able to get weapons from foreign agencies that supported the Afghan rebels fighting the Soviets. Various foreign groups, including the U.S. Central Intelligence Agency, have reportedly used Pakistan as a supply center for Afghan insurgents. Reyes said they still could not verify whether the Abu-Sayyaf members joined the Muslim mercenaries that fought with Afghan mujahideens against the Soviets in Afghanistan.

The NCRDC chief said intelligence reports indicated that the terrorist camps and the rebel training centers in Pakistan were all dismantled after the Soviet pullout from Afghanistan. Reyes said the Abu-Sayyaf group returned to the Philippines with a mission to sow terror in the country, particularly in Mindanao, to keep the secessionist war alive.

He said the young terrorists were consolidated by several former Moro National Liberation Front [MNLF] commanders, who insists on their hardline policy of establishing an Iranian-style Islamic state in Mindanao, contrary to the clamor for greater autonomy by MNLF chairman Nur Misuari and majority of the Muslim rebels. [sentence as published]

Earlier, the PNP [Philippine National Police] Criminal Investigation Service Command [CISC] confirmed that the Abu-Sayyaf is a foreign-trained group that derived its name from the initials of seven Muslims, commanders identified as Abubakar, Bashirt, Usman, Sampinit, Ali Yunos, Abdulrajar and Faisal. The seven commanders, according to the military and the police, organized the terrorist group, which was responsible for the series of bombings in Mindanao and the bomb attacks at the Light Railway Transit [LRT] stations in Paranaque and Manila.

CISC director, Chief Superintendent Angel Quizon the other day announced the arrest of suspected Abu-Sayyaf member Ben Aspalin, a native of Basilan during an operation last May 21, in Payatas, Quezon City for his alleged involvement in the bombing of an LRT station in Baclaran, Paranaque. Government authorities also have tagged the Abu-Sayyaf group as the kidnappers of Spanish priest Fr. [Father] Bernardo Blanco and five-year old Anthony Luis Biel, grandson of a local transport magnate in Basilan. A massive military operation in Basilan launched by the Marines led to the killing of 41 suspected Abu-Sayyaf members early this month.

Ramos: 'Too Early' To Amend Constitution

*HK2805041093 Manila DWIZ Voice of the Filipino
People's Radio in Tagalog 2200 GMT 27 May 93*

[Text] President Fidel Ramos has said that it is too early to amend the Constitution. This was the president's reaction to heated debates regarding a bill which proposes the formation of a constituent assembly aimed at changing the current system of government from a presidential to parliamentary one. Ramos added that he did not influence the House of Representatives to make the proposal. He said he is convincing legislators to give more attention to approving measures ensuring economic and political stability in the country.

Meanwhile, Congressman Leonardo Perez, the bill's proponent, has said that the proposal to create a constituent assembly is not aimed at extending congressmen's terms.

Ramos on Westinghouse Reactor Case, 2d Nuclear Plant

*HK2805030093 Manila MANILA STANDARD in
English 28 May 93 p 2*

[Report by Marichu A. Villanueva]

[Text] President Ramos has instructed Department of Energy (DOE) Secretary Delfin Lazaro to conduct a feasibility study on the construction of a new nuclear power plant in another location where it can be operated safely.

The President also directed Lazaro to make a separate study on how to convert the mothballed Bataan nuclear power plant (BNPP) in Morong into either a combined cycle plant or one that is gas-fired or fueled by coal.

The President issued the directives to Lazaro during the special Cabinet meeting the Chief Executive called right after arriving back to Manila from his four-day state visit to South Korea.

Press Secretary Jesus Sison disclosed that during the special Cabinet meeting held at the Kalayaan Lounge in Villamor Airbase, the President tasked Lazaro as chairman of the Presidential committee on the BNPP to conduct the feasibility study for constructing a new nuclear power plant and conversion of the BNPP based on "least possible expense" for the government.

Sison, who was a part of the official party in South Korea, said Mr Ramos was apparently impressed by the wide and trouble-free use of nuclear power plants in South Korea.

In the meantime, Sison said, the President expressed concern on the continuing ten-hour blackouts in Luzon and resulting huge losses in production and economic activities.

Sison said the President wanted to transfer some of the power barges from Visayas and Mindanao of the

National Power Corporation (Napocor) to Luzon to immediately ease the power supply shortage. If this is not possible, Sison said, the President said power barges should be leased or purchased by Napocor as soon as possible.

Also yesterday, Ramos said he will consult with leaders of Congress, legal luminaries as well as people in the private sector "to get an accurate picture of the public opinion" on whether the Philippines should appeal the "not guilty" verdict on the bribery suit against Westinghouse, builder of the Bataan nuclear power plant.

He also tried to justify the administration's decision to proceed with the suit against Westinghouse despite its enormous cost. He said the Philippine government and the Filipino nation had to redeem their "dignity and honor as a matter of principle."

In a pre-departure press conference in Bohol where he flew yesterday to inaugurate government projects, the President disclosed he will be meeting either this week or early next week with Solicitor General Raul Goco and Delfin Lazaro to determine the government's next course of action following the defeat of its bribery suit against Westinghouse.

"I have asked them (Goco and Lazaro) to draw up various consultation meetings including with the Cabinet, Congress, the private sector and also legal luminaries around so that we can really gauge an accurate picture of public opinion," the President said.

Lazaro is the chairman of the Presidential Committee on the BNPP while Goco is the counsel who led the government panel during the trial of the bribery suit against Westinghouse.

Before enplaning for South Korea last Sunday [23 May], the President had approved Goco's recommendation to appeal the decision on Westinghouse.

The Ramos decision to first get a reading of public opinion may have been prompted by the objections of his Cabinet members led by Executive Secretary Edelmiro Amante Sr and Budget acting Secretary Salvador Enriquez Jr to seeking an appeal.

Amante pointed out that the government should instead attempt to make productive use of the BNPP as a "dependable source" of power instead of spending time and money in appealing the case. Enriquez, who is one of the members of the Lazaro BNPP committee, shared the view.

Although he set the meeting with Lazaro and Goco, the President yesterday indicated that he was inclined to appeal the decision though the move may be unpopular. "But surely, if there is any chance to uphold the honor and respect due the Philippine government, we will go for it," the President stressed.

The President pointed out that even as the Philippines had lost its case in New Jersey, there is still the arbitration case in Geneva. The government had sued Westinghouse for these alleged defects of the nuclear reactor. "And this must be pursued with the same vigor as done in New Jersey," Mr Ramos said.

Goco earlier said the Geneva court is scheduled to hear the case by September this year.

Thailand

U.S. 'Pipeline Protection' Threatens Drug Industry

*BK2805095793 Bangkok SIAM POST in Thai
28 May 93 p 23*

[Text] Local drug producers anticipate considerable repercussions from the seven years of backdated pipeline protection demanded by the United States. Small factories will have to close down; some have already shifted to producing other items, such as food and cosmetics, for it is difficult for them to continue in pharmaceutical production. Local industrialists expect a major impact from protection extended to drugs imported into the country before 30 September 1992—that is, before the enforcement of the drug patent law.

Manufacturers producing chemical or raw ingredients prior to 30 September 1992 will face legal action once the retroactive protection is introduced. Those imitative drugs will be liable to penalties. Thai companies have been imitating raw ingredients and some are in the process of turning them into medicine. Thus, with the seven years' retroactive protection, it is certain that the drug industry in Thailand will collapse.

There are about 200 pharmaceutical plants in Thailand competing for market share among themselves as well as with the government's pharmaceutical organization. If foreign drug companies have a monopoly on patent protection, market sharing will become even tougher.

At present, small manufacturers are closing down their businesses or announcing the sale of their factories. Those big manufacturers with sizable funds might be able to maintain their businesses, but some would have to shift to producing cosmetics or food products along with medicine.

Concerning research for new drugs, this is difficult because of competition. Those likely to be able to work together on such research are state enterprises, but they are concentrating on herbal medicine. It is difficult for Thai businessmen to do research on new drugs because of the lack of modern facilities in Thailand.

A source said that factories likely to survive are those manufacturing old drugs for which the patents have already expired, because the process is not costly. But if foreign companies import new drugs, old medicines produced locally will face a declining market.

In a matter of five to 10 years, Thai drug factories will have to shift to other businesses or simply manufacture first aid medicine for household use.

Minister Rejects U.S. Request

BK2705143893 Bangkok Army Television Channel 5 in Thai 1200 GMT 27 May 93

[Text] The Public Health Ministry has reaffirmed that the retroactive patent protection period for newly invented drugs should be two years because that will not affect the country's people.

Dr. Udomsin Sisaengnam, deputy public health minister, said that the government should pay more attention to the interests of the nation's people than to the nation's exports. If the government agreed to extend the retroactive patent protection period for imported drugs up to seven years as demanded by the United States, prices of medicines in the country would increase and there would be billions of baht in damage. Moreover, Thailand's pharmaceutical industry still needs to be further developed in order to achieve self-sufficiency.

[Begin Udomsin recording] I reaffirm that the two-year period proposed by the ministry is appropriate. A longer period will benefit foreigners while the people in the country will suffer and have to pay more. We must admit that our pharmaceutical industry is still unreliable, and we must further develop it to achieve self-sufficiency. We have a policy to develop the industry so that we can invent new drugs for domestic use. [end recording]

EC Official Views ASEAN Regional Coordination

*BK2805014193 Bangkok THE NATION in English
28 May 93 p B2*

[Text] The soon-to-be President of the Council of the European Community Willy Claes yesterday urged ASEAN not to neglect inter-regional cooperation with the EC in its enthusiasm for intraregional coordination through the Asean Free Trade Area (AFTA).

"It (the Asean Free Trade Area) should not be regarded as the one and only priority as, in my opinion, the realization of a free trade area is a long-term objective," Claes said in Bangkok during his current visit to Southeast Asia.

Claes refused to comment on AFTA's immediate future but cited the example of the plan to create a free trade area including the EC and Russia or the Commonwealth of Independent States (CIS).

"It is accepted that the final aim is to develop a free trade area, but it is not likely that we will achieve this in the near future. We are not playing by the same rules. In addition, Russia is not in GATT. I would say we could expect to spend at least eight years to realize a free trade area" Claes said.

He suggested that cooperation between ASEAN and the EC should be within a larger framework than investment in current production. There should also be cooperation in research and development, for example.

"The EC is willing to develop its links with ASEAN countries, as we believe that ASEAN will play an important role within the larger region and in the world."

Claes' statements reflect the EC's concern that it might be left out of the regional markets. The Community has shown less of a presence in the region than the US and Japan.

Currently Belgian Deputy Prime Minister and Minister of Foreign Affairs, Claes is expected to ascend as President of the Council of the European Community on July 1.

Besides familiarizing himself with ASEAN bureaucrats, the upcoming EC President also regarded the trip as preparation for the next ASEAN-EC meeting scheduled at the end of July.

The meeting is to take place then because "Thailand will be presiding over the ASEAN Standing Committee after the Singapore Post-Ministerial Conference meeting at the end of July, and the Belgian presidency will begin July 1," according to Claes. "As a result, it is a good opportunity for everyone involved to speak."

Concerning bilateral trade, Belgium is eager to increase investment, especially in the fields of energy, transportation and infrastructure.

"We are also ready to cooperate with Thailand on projects in the northern part of Mekong region," Claes said.

Claes also said that it is necessary to complete Gatt's Uruguay Round by the end of this year.

As future President of the EC Council of Ministers, Claes mentioned his uneasiness over the recent compromise following on the EC-US oilseeds deal struck last November, which effectively blocked the advance of Gatt's Uruguay Round.

"Speaking frankly, we are not feeling enthusiastic about the compromise," Claes said.

The compromise was reached when the EC agreed to reduce farm subsidies for oilseeds, which are mostly exported to the US, after the latter threatened to increase its import tariffs. The agreement troubled France, one of the EC's major oilseed producers.

Ministers Hope To Avoid EC 'Consequences' on Tapioca

BK2705030593 Bangkok THE NATION in English
27 May 93 p B2

[Text] Agriculture and Cooperatives Minister Nipon Phromphan will meet the Commerce Minister Uthai

Phimchaichon today to discuss how the two could cooperate to avert dire consequences on the local cassava planters from drastic farm reform in the EC.

The meeting today will mark the first joint effort of the two ministries to resolve the problem of tapioca. According to a source, the ministers will focus on three issues: to find new markets for Thai tapioca; to reduce cassava plantation; and to diversify the output.

The Common Agricultural Policy [CAP] reform poses a threat to Thai tapioca exporters as, under the CAP, EC countries will cut domestic farm subsidies by 29 per cent within three years starting this July.

As a result, the price of the EC grain substitutes will be lowered to a level close to that of tapioca imports from Thailand. EC animal feed producers, therefore, are expected to switch to the grain substitutes in future.

The EC is the biggest market for tapioca exported from Thailand, with an average annual export volume of 5.25-5.75 million tonnes.

The source added that to cope with the declining demand in the Community, the Agriculture Ministry will present at today's meeting a plan to reduce cassava plantation from 9.2 million to 8.2 million rai between 1994-1998. The panel will also discuss how to use the budget to persuade cassava planters to switch to other crops.

The report from the Agriculture Economics Office forecast that, within the crop season 1993/1994, the demand for Thai tapioca pellets in the EC would decline by 466,985 tonnes or equivalent to 1.117 million tonnes of cassava roots. The price of cassava in 1993/1994 is expected to drop to Bt [baht] 0.64 per kilogramme, and further decline to Bt 0.62 per kilogramme in 1996.

According to the first scenario prepared by the Agriculture Ministry, the demand for cassava by 1998 is expected to be about 19.34 million tonnes, based on assumption that the average output per rai is 2,358 kilogrammes, and the local demand for tapioca increases.

The second scenario showed that if the importing countries use trade protectionism against Thai exports and the domestic consumption of tapioca sustains at the current level, the demand for cassava by 1998 would be reduced to 16.5 million tonnes. Cassava plantations could, as a consequence, be reduced to 7.02 million rai.

The third scenario is that the demand of cassava will drop to 16.1 million tonnes in 1998 if local consumption of tapioca declines. Based on this scenario cassava plantation should be cut to 6.8 million rai by that year.

The Agriculture Economics Office's report, however, said that the first scenario is the most plausible. The report predicts that by 1998 the Thai tapioca export

would be priced at Bt3,700 per tonne FOB (freight on board) with the demand in the EC of 4.5 million tonnes a year.

The report said that, in future, the domestic consumption of tapioca flour will increase. The local producers will use the flour for producing, for example, seasonings and pulp. The demand for tapioca flour by 1996 is expected to increase to 742,000 tonnes, or equivalent to 3.714 million tonnes of cassava.

In addition, the Thailand Development Research Institute has forecast that, based on assumption that the maize is priced at Bt2.90 per kilogramme, soyabean meal at Bt6 per kilogramme and cassava at Bt0.70 per kilogramme the demand for cassava for animal feeds would total 2.9 million tonnes in 1996.

However, the report said that the scenario is less possible because the prices of soyabean meal and maize remain high.

To boost the output per rai, the Agriculture and Cooperatives Ministry is planning to supply farmers with good quality seeds, such as Rayong 3 Rayong 60 and Sri Racha 1. The ministry expects that the supply will be enough for cassava planters who are farming an 2.2 million rai this year.

The government authority will also set the zoning for cassava plantation as well as offer incentives to encourage cassava growers to switch to other crops.

During 1993-1995, the Agriculture Ministry managed to reduce the cassava cultivation by 42,000 rai under its steering project.

The government will support cassava planters in Ubon Ratchathani, Buri Ram, Surin and Nakhon Ratchasima provinces to switch to farm eucalyptus or other crops for the pulp industry.

General Reviews Cambodia, Burma Border Situation

BK2705135193 Bangkok Army Television Channel 5 in Thai 1200 GMT 27 May 93

[Text] Reviewing the border situation and the defense activities of the armed forces during the past month, Major General Sunthon Butsi, deputy director of the Supreme Command Information Office, said that there was no extensively violent fighting erupting in neighboring countries which could affect the livelihood of Thai people living in the border areas during the period under review. It was anticipated that the situation in Cambodia would be aggravated during the general election, but most of the fighting in Cambodia took place far away from the Thai border.

The armed forces, however, are concerned about the illegal entry by Thai villagers into Burmese territory to hunt and cut wood, which frequently leads to disputes between the two countries.

[Begin Sunthon recording] Thai villagers from the Phop Phra, Tha Song Yang, and Mae Ramat Districts of Tak Province crossed the border to hunt and cut wood inside Burma and were arrested by the Burmese side. Officials concerned are trying to contact Burmese authorities to secure their release. It is, however, rather a difficult task because Thai villagers have violated the law and the Burmese side is suspicious that these people might be spies. [end recording]

Further on Arrests by Burma

BK2805020893 Bangkok BANGKOK POST in English 28 May 93 p 6

[Text] Mae Sot—The authorities in Burma's Myawaddy township opposite this district on Wednesday [26 May] refused to answer requests by the Thai border committee on the whereabouts of 16 Thais reportedly arrested by the Burmese. The Burmese also sent back an official letter from the Thai side which was signed by Col Suwit Maenmuan, chairman of the local Thai-Burmese Border Committee, which had been submitted to Lt-Col Tun Tun Lay, chairman of the local Burmese-Thai Border Committee the report said.

According to the report, the official letter requested information on 16 Thais who were arrested on three different occasions by the Burmese. It asked the Burmese to release them.

The letter said that four Thais were arrested in Burma opposite Mae Ramat District on May 22 while hunting about one kilometre from the border. The four were reportedly brought to Myawaddy township and one of them was injured. Six other Thais were arrested on May 17 near Phop Phra District while Burmese authorities were attacking illegal sawmills in the area. Another six Thais were arrested on April 28 in Tha Song Yang District.

Among them, four were arrested while travelling by boat along the Moei River border between Thailand and Burma. Two were arrested while crossing the border to the Burmese side.

Sources said the Burmese were angry with the Thais for allegedly arresting a former Burmese policeman, Hla Ngwe, 35. Hla Ngwe is reportedly close to many Burmese army generals and is a contact with Thai timber traders along the border. He has earned a lot of money for the Burmese military, sources said. Sources among Thai traders said that Hla Ngwe had cheated many Thai timber traders and if any harm comes to him it will come from business conflicts, not from Thai police.

Deputy chairman of the Thai-Burmese Border Committee Col Wichu Saengduan quoted the Burmese as saying that Hla Ngwe was arrested in Mae Sot on May 5 and had asked the Thai side to release him. If they do not, the Burmese will not negotiate the release of the 16 Thais. Tak deputy police superintendent Pol Lt-Col

Watchara Sirirat claimed the police had investigated and found no record of Hla Ngwe being arrested.

Launch of Thaicom Satellite in 1994 'Unlikely'

BK2705023793 Bangkok *THE NATION* in English
27 May 93 p B2

[Text] AsiaSat, the Hong Kong-based satellite company, is unlikely to put a supplementary satellite into orbit early next year to queer the pitch for Shinawatra's Thaicom project, according to Dr Awut Ploysongsang, senior commercial manager of Shinawatra Satellite Co.

The company was thought to be planning a "commercial trick", he added.

Shinawatra Satellite Co has scheduled to put Thaicom—Thailand's first satellite for communications purpose—into orbit by the end of the year and start operations in the first quarter of next.

Meanwhile, AsiaSat Telecommunications Co intends launching its second satellite before the end of 1994.

To help protect its market share AsiaSat had implied it was considering launching a temporary satellite at the beginning of next year.

"It is probable that AsiaSat will seek a second-hand satellite from the United States and launch it early next year to serve clients' demand we can't satisfy at the time being," an AsiaSat senior officer said in a recent interview.

AsiaSat Telecommunications Co is currently embroiled in a battle with Thaicom over orbital positions. The Hong Kong company is keen on the 100.5 position while Thaicom is applying for 100.1.

The two parties met in Bangkok last week to talk through the problem but the outcome has yet to be disclosed.

There would be no problem with the orbital position of any temporary satellite if the company were to launch one an AsiaSat officer confirmed, without going into detail.

However, Dr Awut said he believed that AsiaSat would face certain technical problems if it were to launch a supplementary satellite, although he reiterated that he thought it unlikely it would.

"We hope that AsiaSat and Thaicom will have no problems with each other. AsiaSat, however, should be aware of the possible damage it could cause by doing such a thing.

"It should think carefully about any decision it might be about to make," Dr Awut said.

Thaicom satellite transmissions will cover the East Asian region, and are intended to have stronger signals than the wider-ranged AsiaSat, which is designed to cover the

whole Asian region. However, it will probably lose some of its existing clients in areas covered by Thaicom.

Thaicom's marketing moves are already underway; it expects as many as 25-30 per cent of its users to be from overseas, according to Dr Awut, who added that the company will register its transponder next month.

"The transponder fee rate was already approved by the Transport and Communications Ministry and is now pending the official signing," he said.

According to Awut, Thaicom will collect US\$1.5 million per year for the use of a C-band transponder and US\$4.5 million for a Ku-band transponder. The rates can be changed to comply with future market conditions.

After Thaicom is in service, Thailand's satcom users will be obliged to switch from their present satellites to Thaicom once their contracts with current satellite operators expire. Shinawatra Satellite has been given monopoly rights for eight years of its 30-year concession.

"We have tried to create the understanding that Thaicom is Thailand's satellite, one which might help save the country money it spends with other nations."

Government's 7-Month Revenue 'Slightly' Short

BK2705033193 Bangkok *THE NATION* in English
27 May 93 p B12

[Text] Government revenue for the first seven months of the 1993 fiscal year has fallen slightly below the Bt [baht] 534 billion target. About 52 per cent of the amount has been collected, according to Phisit Li-atham, a spokesman for the central bank.

Government spending, meanwhile, has already used up 54 per cent of the total planned Bt499.4 billion expenditure.

While Phisit acknowledged that revenue is less than the bank expected, he suggested that the fiscal position will improve when revenue from corporate income tax starts to flow next week.

For the year until April, the government's fiscal surplus dipped to just Bt1.339 billion compared to the Bt9.3 billion recorded in the 12 months to March. The figure is accounted for by the revenue collected in April, which rose only 3.2 per cent compared to 13.5 per cent in the previous six months.

Income from state enterprises also contributed to lower government revenue. Taxes on state enterprises decreased by Bt2 billion and other taxes, such as value-added tax and custom duties, declined by 15.1 per cent.

Expenditure in April went up 29.7 per cent, amounting to Bt40.55 billion, partly because last month was the first time government funds were used to help boost paddy prices and to pay land expropriation costs for the mass transit railway project.

Altogether the first seven months of fiscal year 1993 have expended Bt270.4 billion—up 17 per cent year-on-year—with revenue totalling Bt277.7 billion—an increase of 11.8 per cent.

It brings the government's cash surplus to Bt9.5 billion.

Phisit said the budget surplus for the current fiscal year so far represents 1.2 per cent of gross domestic product, or Bt35 billion.

Vietnam

Economic Accords Signed With Russia; Debt Unresolved

BK2705153993 Hong Kong AFP in English 1303 GMT 27 May 93

[Text] Hanoi, May 27 (AFP)—Vietnam and Russia signed economic cooperation accords here Thursday [27 May] but the issue of Hanoi's outstanding debt to the former Soviet Union remained unresolved, officials from both sides said.

Russian Deputy Prime Minister Yuri Yarov and his Vietnamese counterpart Phan Van Khai initialled accords on air and sea transport, joint exploration and recovery of oil and double taxation avoidance, a statement said.

The accords were signed after the close of the second session of the Russian-Vietnamese commission for cooperation in trade, economics and science.

Russia agreed to respect agreements concluded between the former Soviet Union and Vietnam on exploring for and recovering oil on South Vietnam's continental shelf where the joint-venture Vietxopetro has operated since the 1980s.

Russian and Vietnamese officials said the agreements would boost bilateral economic and commercial ties between the long-time allies.

But the commission broke up without settling the issue of Hanoi repaying nine billion rubles it owes to Moscow.

The Vietnamese party said it was ready to repay the debt but the two sides failed to agree on how the repayments would be made, sources said. The failure to settle the debt issue prevented the planned signing of an accord to promote and protect investment.

Russia is the principle beneficiary of the debt, some of which is owed to other former states in the former Soviet Union which provided military and economic aid to Hanoi until 1989. After the Soviet Union's collapse, trade between Vietnam and the Commonwealth of Independent States has tumbled.

Russian Official Cited

BK2805014593 Hanoi VNA in English 1447 GMT 27 May 93

[Text] Hanoi VNA May 27—The Government of the Russian Federation will continue to cooperate with Vietnam as before, and Russian-Vietnamese cooperative relations will contribute to the consolidation and promotion of peace in Southeast Asia, said Yuriy Yarov, deputy prime minister of the Russian Government, at a press briefing in Hanoi Thursday [27 May] during his current visit to Vietnam.

Speaking of the results of the second session of the Vietnam-Russia intergovernmental commission for economic, commercial and scientific-technical cooperation, Mr Yarov said the two sides signed agreements on air and maritime transportation, avoidance of double taxation, a framework agreement between the Russian and Vietnamese ministries of trade, and an agreement on banking cooperation and payment.

Still according to Mr Yarov, the two sides outlined the main direction for broadening the cooperative ties on a country-to-country and locality-to-locality basis. The Russian side will continue helping Vietnam to complete the project built with aid from the former Soviet Union, more specifically the supply of whole equipment for the remaining generators at the Hoa Binh hydropower station within the next month and a half, so that they can be put into place and begin operation by the end of this year.

Deputy Prime Minister Yarov made known that the two countries would sign a bilateral agreement on investment protection at the end of the third quarter of this year.

The third session of the Vietnam-Russia Intergovernmental Commission for Economic, Commercial, Scientific and Technical Cooperation is slated for the first quarter of 1994 in Moscow, Mr Yarov further disclosed.

Vo Van Kiet Meets Australia's Keating 27 May

BK2705150793 Hanoi VNA in English 1439 GMT 27 May 93

[Text] Hanoi VNA May 27—Prime Minister Vo Van Kiet and his Australian counterpart, Paul Keating, said on Thursday [27 May] they are satisfied with the rapid development of Vietnamese-Australian relations in economy, in trade, science and technology and training.

During their talks held at the Parliament House in Canberra May 26, Vo Van Kiet and Paul Keating focussed on the orientations for future cooperation, especially in areas Vietnam most needs and Australia has the greatest potentials. They particularly singled out telecommunications services, energy, oil and gas, mining, and infrastructure construction. The two prime ministers shared the view that bilateral cooperation

would not only benefit the two peoples but also contribute much to boosting the current trend to cooperation in the region.

The meeting of the two prime ministers took place one day after the Vietnamese prime minister arrived in Canberra for a four-day official visit.

Prime Minister [P.M.] Paul Keating said P.M Kiet's first visit to Australia is an event of great importance to Australian-Vietnamese relations. The Australian P.M said he highly appreciated what Vietnam had achieved in its current multifaceted renovation process and its open-door foreign policy which has helped improve its relations with many countries in the world, especially in Asia and the Pacific.

For his part, P.M Kiet said he highly valued highly Australia's early resumption of official development aid to Vietnam. He added that broadening Vietnamese-Australian cooperation would benefit both two [as received] peoples.

Discussing the Cambodia situation, the two prime ministers agreed that the international community should help in the process of national reconciliation in order to ensure peace and stability for Cambodia to develop, which will be also a contribution to regional stability.

Touching upon the issues of human rights and democracy raised by some social and humanitarian circles on this occasion, P.M. Kiet said great sacrifices of the Vietnamese people had made immense sacrifices [as received] to regain and safeguard the most basic human rights namely the rights to live in independence, freedom, happiness and peace. He stressed that principles in relations among countries are should be governed by mutual respect, non-interference in each other's internal affairs, and equal and mutually beneficial cooperation. He reaffirmed Vietnam's policy of leaving the past behind and looking ahead to the future. He said that this policy applies also to overseas Vietnamese communities and that Vietnam welcomes anyone of them who wishes to visit the country to inquire into the current renovation process. Mr. Kiet rejected distortions and slanders mouthed by the same persons who had opposed their own people but now clamour about 'human rights' and 'democracy'.

After the talks, the two prime ministers witnessed the signing of a medium on development cooperation between Vietnam and Australia. The signatories were Vietnam's State Planning Committee Chairman Do Quoc Sam and Australia's Development Cooperation and Pacific Islands Affairs Minister Gordon Bilney.

On the same occasion, Vietnamese Deputy Minister of Transport and Communications Bui Van Suong and Australian Minister of Transport and Communications Bob Collins signed a memorandum of understanding on issues relating to air services between the two countries.

On the same day, Prime Minister Vo Van Kiet met with Foreign Affairs Minister Senator Gareth Evans, Primary Industries and Energy Minister Simon Craan, Industry, Technology and Regional Development Minister Alan Griffiths and Tourism and Resources Minister Michael Lee.

In the afternoon, the prime minister and Mrs Kiet were received by the Governor General and Mrs Bill Hayden.

Belgian Minister Arrives, Meets Counterpart

*BK2805015593 Hanoi VNA in English 1453 GMT
27 May 93*

[Text] Hanoi VNA May 27—Visiting Belgian Deputy Prime Minister [PM] and Foreign Minister Willy Claes has announced Belgium's intention to continue its economic and financial assistance to Vietnam. In his talks with Foreign Minister Nguyen Manh Cam here this afternoon Mr Willy Claes informed his counterpart that the Belgian Government will grant development aid to Vietnam for the 1992-1995 period and will continue to write off Vietnam's debts in the second phase. He pledged to stimulate Belgian investors to come to Vietnam and invest directly in a wide range of the economy, more particularly in infrastructural construction (electricity, communications, telecommunications) and also to enhance scientific and technological cooperation between the two countries.

Furthermore, he said, Belgium will help accelerate Vietnam's relations with the European Community especially aimed at the early signing of an agreement on economy and trade with the EC and eventually the normalisation of Vietnam's relations with the international financial and monetary organisations.

The Belgian deputy PM and foreign minister and his party were received at the presidential palace by Deputy Prime Minister Phan Van Khai shortly after their arrival in Hanoi.

They were feted at a banquet offered here this evening in their honour by Foreign Minister Nguyen Manh Cam.

Former South Officer Convicted of Bomb Plot

*BK2805065593 Hanoi VNA in English 0624 GMT
28 May 93*

[Text] Hanoi VNA May 28—The Supreme People's Court sat in first and final instances in Ho Chi Minh City on May 26-27 to try Tran Manh Quynh and his accomplices on charge of 'attempt to use explosive to destroy cultural projects and historical relics'.

Tran Manh Quynh (alias Jimmi Tran) was a lieutenant of the Saigon Army before 1975.

In mid-1978 he escaped from the reformation camp and fled abroad.

He came back to Vietnam on the occasion of the lunar new year in 1992 to investigate targets to be blow up with explosive.

In the lunar new year in 1993 Quynh returned to Vietnam for the second time to work out a concrete plan to destroy with time bombs several cultural projects and historical relics at the Nha Rong Wharf and Nguyen Hue Road, two of the busiest streets in Ho Chi Minh City.

On February 14, 1993, Quynh and Tran Thi Huong, a woman accomplice, went to Nha Rong to take pictures of this area which is usually crowded with people, especially children.

In the afternoon of February 15, 1993, Tran Manh Quynh and Le Thien Quang transported explosive from Dong Nai Province to Ho Chi Minh City but they were arrested while in possession of 6 kg of explosive and 5 fuses.

By virtue of Article 79 of the Vietnamese Penal Code on the penalties for the crime of 'sabotage against material bases of socialism', the court sentenced Tran Manh Quynh to twenty years in prison, and Le Thien Quang to 15 years, both with five years of disfranchisement after their release.

The rest received prison terms ranging from 5 to 6 years.

Minister Emphasizes Children's Rights

*BK2805064593 Hanoi VNA in English 0633 GMT
28 May 93*

[Text] Hanoi VNA May 28—The government and people of Vietnam are always aware that providing good care for the children is for the interests and the future of the nation and also for the future of mankind, because today's children are tomorrow's world.

This statement was made by Deputy Prime Minister Nguyen Khanh in his address at the opening session of a three-day conference in Hanoi on Thursday [27 May] to review the implementation of the U.N. Convention on the Rights of the Child in Vietnam during the past two years.

The conference organised by the Vietnam Committee for Protection and Care of Children was attended by representatives of the UNICEF, the UN Committee on the Rights of the Child, the World Bank, the Swedish Save

the Children, and delegates from 51 provincial and city organisations of the National Committee for Protection and Care of Children.

In her brief report on the implementation of the UN Convention on the Rights of the Child during the past two years, Ms Tran Thi Thanh Thanh, minister in charge of the host committee, said: 'In recent years, Vietnam has worked out and made public documents for cooperating with international and other national organisations to protect the rights and interests of Vietnamese children overseas and those of foreign children living in Vietnam. In doing so, Vietnam has received support from governmental and international organisations, NGO's [nongovernmental organizations], the United Nations and individuals. According to an incomplete report, foreign aid to Vietnam's childcare programmes for the 1991-95 period was estimated at 85.1 million USD, to which UNICEF contributed a major part'.

Ms. Thanh mentioned the increasing numbers of street children and children in conflict with laws who should be given better care, education and protection. She cited the reasons for this undesirable situation which include the inflow of unhealthy publications and video-films, the inadequacy of statutory provisions on child care and protection, and the indifference of some social organisations and people towards the rights of the child.

Ms. Thanh also said that her committee has worked out a programme of action for 1993, which includes the following targets:

- to reduce the mortality rate of under-one-year-olds from 0.046 percent to 0.042 percent
- to reduce the number of malnourished children to under 40 percent
- to increase the number of pre-school children from 1.6 million to 1.7 million and
- to provide care for 50 percent of the orphans and 40 percent of the street children.

Speaking at the conference, Mr Thomas Hamarberg, representative of the U.N. Committee on the Rights of the Child, welcomed Vietnam's efforts in child care and protection, stressing that Vietnam was one of the first countries that signed the U.N. Convention on the Rights of the Child.

He said it was necessary to hold discussions on how to help children avoid the adverse effects of the current renovation process in various countries, and called for joint efforts from international and national organisations and NGO's in campaigning for the rights of the child.

Australia

Reportage on Visit of Vietnamese Officials

Vo Van Kiet Urges Trade Cooperation

*BK2805080393 Hong Kong AFP in English 0600 GMT
28 May 93*

[Text] Sydney, May 28 (AFP)—Vietnamese Prime Minister Vo Van Kiet urged Australia Friday [28 May] to participate more fully in the economic redevelopment of his country, saying its "door of co-operation is now widely open."

He arrived here with a delegation of about 30 Vietnamese Government and business leaders to meet local business representatives interested in investing in Vietnam, which he said hoped to double its gross national product by 2000.

"We attach great importance to mobilising at least two billion U.S. dollars a year in foreign capital in addition to mobilising domestic resources," Kiet said in a lunch-time speech to Sydney business representatives.

"We hope that the Australian Government in general and its businessmen in particular, with their great potential, can make a significant contribution to this requirement."

A strong presence of police and security men was maintained for the start of the Sydney leg of the visit, although there were no demonstrations.

A surprisingly small contingent of anti-communist Vietnamese demonstrators—fewer than 1,000 from the 130,000 strong Vietnamese community—turned out for demonstrations in Canberra on Wednesday and Thursday.

However, clearly concerned that media reports here have concentrated on the demonstrations and human rights issues in Vietnam, Kiet appealed Friday for objective reporting of his visit.

After being met by dignitaries at the airport, he was welcomed in his own language by a Vietnamese speaking reporter to whom he then directed the request.

"I hope the newspapers reporting here will not be one-sided," the former Viet Cong commissar said through an interpreter.

He told an Australia-Vietnam Business Council lunch that bilateral trade between the two countries had grown rapidly in recent years, doubling to 100 million U.S. dollars between 1990 and 1992.

"Though we are encouraged by this tendency, we must also see that the trade volume is much lower than the potential of our two countries," Kiet said.

The economic renewal of Vietnam was very difficult because of the country's low level of development.

"Vietnam is the only country in the world to have traversed half a century of consecutive and fierce wars, decades of blockade and embargo," he said.

Poor infrastructure and an inadequate legal system, an incomplete banking system and bureaucratic management system all hampered development.

"The Vietnamese Government welcomes Australian companies to Vietnam and creates more favourable conditions for your business.

"Our door of cooperation is now widely opened."

Vu Khoan on U.S. Ties, MIA's

*BK2805095093 Hong Kong AFP in English 0930 GMT
28 May 93*

[Text] Sydney, May 28 (AFP)—Hanoi is ready to open its doors to everyone who wants to understand "the situation in Vietnam," including the families of U.S. servicemen still listed as missing in action (MIA), a Vietnamese minister said here Friday [28 May].

Hanoi's Vice Minister of Foreign Affairs Vu Khoan told a news conference that the offer to Australia to send a human rights delegation to Vietnam applied to everyone.

"I should like to make clear we are ready to accept everyone who wants to come to our country in order to study the situation in my country, to study the feeling of people," he said in English. "We are ready to open our door."

Vu Khoan, visiting Australia with a delegation headed by Prime Minister Vo Van Kiet, said in talks between Australian Prime Minister Paul Keating and the delegation that Australia had raised the problems of human rights in Vietnam.

While Australia recognised it was not possible to transplant a Western model into an Asian country, it had also recognised Vietnam's significant political, social and economic achievements, he said.

"At the same time, Australian leaders expressed willingness that Vietnam could pay more attention to this issue," he added.

Vu Khoan also said he could not understand Washington's continuing economic embargo while so many other countries wanted to normalise relations and admitted that Vietnam could not fully realise its economic goals while the embargo persisted.

"Our leaders once again confirm that Vietnam is ready to establish relations with the United States, which is in the interest not only of both countries but in the interest of stability in the region."

The MIA issue is the only obstacle to re-establishing relations, he said.

He said that despite the embargo, many U.S. business "wanted very strongly" to do business with Vietnam, including more oil companies and banks like Citibank, which has set up an office.

Vu Khoan said the Vietnamese delegation was satisfied with its talks with Canberra.

Both sides, he said, emphasised their common interest in expanding co-operation, especially in economic and trade areas.

Vietnam is keen to develop bilateral relationships, especially in areas like telecommunication, infrastructure development, energy and mining in which Australia is strong.

"We are satisfied that Australian leaders very highly appreciate achievement of Vietnam in reform and they consider that Vietnam has good potential," Vu Khoan said.

But he criticised the Australian media for its reporting of the visit, saying they "did not reflect our discussion about co-operation."

The media had focused on anti-Vietnamese demonstrations, which he said were not the most important part of the visit.

Vu Khoan said the majority of Australia's large Vietnamese community supported good relations between the two countries, recognising that cooperation between them could only help them set up a better relation with their home land.

"But unfortunately some of them, we consider small numbers, are continuing to keep the old idea about the country and they had some extremist action during the visit.

"We consider these actions don't help the interest of either country and co-operation between us."

Economic Forecasts 'May' Be Revised Downward

*BK2805103793 Melbourne Radio Australia in English
0500 GMT 28 May 93*

[Text] Forecasts for economic growth in Australia may be revised downwards following the release of figures today from the Bureau of Statistics. Belinda Tromp reports the figures show the volume of exports slumped in the last quarter:

[Begin recording] [Tromp] Imports were also down by 2 percent. The concern centers on a 4 percent fall in the volume of exports. With net exports a major component of GDP [gross domestic product] estimates, the bureau says the decline will make a negative contribution to its March quarter GDP estimate due out on Tuesday [1 June]. Chief economist Grant Bailey of Citibank says he is revising his predictions for the quarterly GDP from

half a percent down to a quarter of a percent, which would mean an annual growth rate of around two and a quarter percent.

[Bailey] The economy is failing to gain momentum from a two- to two-and-a-half-percent pace, up to a 3- and 4-percent pace, which is needed to start eroding the very high level of unemployment. [end recording]

[Hong Kong AFP in English at 0613 GMT on 28 May in a similar report adds: "Economic recovery in Australia will strengthen over the next 18 months, but there will be little assistance from world growth and unemployment will be at an unacceptable level," Prime Minister Paul Keating said Friday.]

["'The Australian economy is currently growing faster than most other major economies and we expect the recovery to strengthen further through 1993 and 1994,' Keating told the Economic Planning Advisory Council."]

["'However, the pace of economic recovery in the short term is receiving little assistance from world growth,' he said."]

["Keating said he had appointed a taskforce to prepare a white paper on the employment and the jobless issue for delivery December."]

["He said the unemployment rate was unacceptable, but while the major cause was the recession, the problem would not be solved by an improvement in the economic cycle."]

["'Since the mid-1970s unemployment has increased sharply but fallen slowly,' Keating said, noting that an increase in the labour force participation rates, the rise of part time jobs, and industrial trends were factors that had changed the workplace."]

Tonga

Government Proposes New Budget for 1993-94

*BK2805110593 Melbourne Radio Australia in English
0500 GMT 28 May 93*

[Text] The government in Tonga has proposed the \$91 million budget for the 1993-94, an increase of 10 percent over the current financial year. Tabling the budget in parliament, Finance Minister Cecil Cocker said it provided for increased spending on health, education, agriculture, and industry. Spending on development is estimated to rise 17 percent to just over \$52 million. This would finance the range of projects, including building a memorial hall honoring Queen Salote, extending the power supply, and upgrading wharfs, airports, roads, and schools.

Despite no new taxes being included in the budget, Mr. Cocker said it was expected to produce a small surplus. Mr. Cocker said estimated economic growth in 1993-94 was 4 percent, mainly due to increased earning from private sector exports and higher levels of construction and investment. The Legislative Assembly will debate the budget next month.

